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Further on Pact 'Friendship'88' Exercises

U.S. Observers View Maneuvers

LD052014 Budapest MTI in English
1845 GMT 5 Feb 88

[Text] Budapest, February 5 (MTI)—On Friday Hungarian party and state leaders inspected the closing events of the "Friendship'88" troop exercise in which 13,000 soldiers from the designated command posts and troops of the Hungarian People's Army, the Soviet Army and the Czechoslovakian People's Army were involved.

The closing maneouvres taking place at the military fields lying north of Lake Balaton were monitored on the spot by Gyorgy Fejti, HSWP CC secretary, Colonel General Ferenc Karpati, minister of defence, and Army General Fedor Krivda, representative in Hungary of the commander-in-chief of the Joint Armed Forces of the Warsaw treaty member states. Laszlo Gyuricza, president of the defence commission of the Hungarian Parliament, and ambassadors to Hungary Boris Stukalin of the Soviet Union and Ondrej Durej of Czechoslovakia were also in attendance.

The commanders said that the aim of the maneouvres which were started on January 29 was set in accordance with the defensive military doctrine of the Warsaw treaty. Accordingly, the preparation of defensive combat and engagement was exercised with conventional forces at the early phase of a supposed war.

On the occasion of the troop maneouvres U.S. military observers arrived in Hungary. Availing themselves of the opportunity offered by the European confidence- and security-building measures adopted in Stockholm, the Group of Four carried out on-site military verification for the first time in Hungary, in the region of Transdanubia to the north of Lake Balaton.

The troops taking part in the "Friendship'88" troop exercise are to return to their bases in the days to come.

Hungary's Karpati Interviewed

LD052315 Budapest Television Service
in Hungarian 1830 GMT 5 Feb 88

[Text] The "Friendship 88" military exercises have continued in the area north of Varpalota. Today Gyorgy Fejti, MSZMP Central Committee secretary, attended the maneuvers. Colonel General Ferenc Karpati, minister of defense, has given a television interview:

[Begin recording] [Unidentified reporter] Comrade Minister, this is a defense exercise that we are seeing here. The assumption is that Hungarian troops are practicing a breakout. Why have you decided on a defensive exercise?

[Karpati] Our military forces are not directed against anyone. We do not want to attack anyone. Thus, we are increasingly devoting our attention in the army to defense. Consequently, this is a very important maneuver; in relation to the size of our forces, these are important, large-scale exercises.

These exercises are held each year, every winter. Admittedly, this winter is very spring-like; nonetheless, last week it rained heavily several times and the soldiers and officers were here almost day and night. Well, this is pretty awful weather. It places heavy demands on people.

I am happy to be able to say now, as these exercises are ending, that everyone carried out his task with great devotion. Thus, these were very successful exercises. I am also happy to say that everyone is healthy. So far no one has been injured, and let us hope it stays this way. These exercises have been carried out in a very disciplined and organized manner.

[Reporter] Openness is also often mentioned in connection with these exercises.

[Karpati] At last, we are happy to say that we can be open. This is closely connected with the agreement on confidence-building measures reached in Stockholm a year ago. It also means that we have to inform each signatory country very precisely about the purpose, magnitude, numbers, and technology involved in the exercises.

[Reporter] And the observers have also arrived.

[Karpati] Yes, for the first time four U.S. diplomats have come here. We have put at their disposal everything they needed; information, helicopters, cars, and so on; everything they need for their work.

[Reporter] I hear they are taking photographs and tape recordings.

[Karpati] Yes, this is part of their task, I would think, and it shows the need for openness. The game has two goals, inasmuch as it can be called a game. After all, just as we give precise information, the NATO countries must give us just as accurate information on the exercises they carry out. [end recording]

U.S. Group Ends Visit

LD061823 Budapest MTI in English
1732 GMT 6 Feb 88

[Text] Budapest, February 6 (MTI)—In Hungary the on the spot verification asked for by the United States of America is over which was effected on the grounds of the European military confidence and security building measures approved in Stockholm in 1986. The two-days of military inspection extended to part of the region to the north of the Lake Balaton where in recent days Hungarian, Soviet and Czechoslovakian troops and commanding posts performed a joint troop exercise under the code name "Friendship'88". The American military inspection group of four were supplied with the required air and ground traffic vehicles by the Hungarian party according to the instructions of the Stockholm document. The verification group departed from Budapest on Saturday afternoon.

CSCE Envoy Proposes Link Between Arms Talks

LD060022 Warsaw PAP in English
2326 GMT 5 Feb 88

[Text] Vienna, Feb 5—Today, the Polish delegation forwarded an initiative during the debates of one of the working groups of the Vienna CSCE-86 meeting to create an institutionalized link between the prospective conference of 35 CSCE states on the confidence building measures, security and disarmament in Europe and the conference on reduction of armed forces and conventional armaments in Europe from the Atlantic to the Urals.

Poland's delegate Adam Rotfeld proposed that the mechanism of mutual links between the negotiations of 35 and 23 states should take into account the principle that all talks on military aspects of European security will be held as part of the CSCE process.

The Polish proposal envisages that once a month a plenary session of the prospective conference of 35 states, a continuation of the Stockholm conference, would be devoted to the exchange of views and information on the course of negotiations in the group of 23 states. The next, after the Vienna, CSCE meeting would enliven the course and results of both conferences, making proper decisions as to further efforts in this area.

The Polish proposal drew a lively response. Austria's representative stressed that his country approvingly accepted Poland's proposed solutions. Switzerland's delegate said that this was Poland's valuable contribution to discussion on military aspects of European security, convergent with Switzerland's stand and expectations. As for the group of NATO states, it was only Denmark's representative who spoke, expressing a very restrained opinion on the Polish plan. The Polish document was supported by Soviet, Romanian and Hungarian delegations.

Varkonyi on Importance of Geneva Talks

LD042040 Budapest MTI in English
1940 GMT 4 Feb 88

[Text] Geneva, February 4 (MTI)—At the Geneva disarmament talks Hungarian Minister of Foreign Affairs Peter Varkonyi held a press conference of Thursday where he spoke in detail on the Hungarian stance which was mentioned in his morning contribution. He has pointed out: This week the presence and contribution of foreign ministers at this forum from two NATO countries, from two WT [Warsaw treaty] countries and from a developing country means the recognition of the rising importance of the Geneva talks and the hope of the states that the disarmament process yields new results.

During the day Peter Varkonyi had meetings with Foreign Ministers Giulio Andreotti of Italy and Bohuslav Chnoupek of Czechoslovakia. At the discussions the agenda included the increase of the work and role of the disarmament conference and the questions related to the cooperation in these issues.

Thursday evening Ambassador David Meiszter, head of the Geneva UN Mission of Hungary gave a reception to Minister of Foreign Affairs Peter Varkonyi. The representatives of the delegations to the Geneva talks were also present.

Youth Delegation Departs for Algeria

AU071951 Tirana Domestic Service in Albanian 1900 GMT 7 Feb 88

[Text] At the invitation of the Algerian National Youth Union, a delegation of the Central Committee of the Albanian Union of Working Youth, led by Mehmet Elezi, Central Committee first secretary, left for a friendly visit to Algeria today.

The delegation will also pay a friendly visit to the Western Sahara, at the invitation of the Usaro [as heard] Youth Organization of the Western Sahara. The delegation is accompanied by Luan Bregasi, secretary of the Albanian Union of Working Youth Central Committee, and other comrades.

Nesip Kaci Appointed Ambassador to Turkey

AU062027 Tirana Domestic Service in Albanian 1900 GMT 6 Feb 88

[Text] By decree of the Presidium of the People's Assembly, Comrade Nesip Kaci is appointed ambassador extraordinary and plenipotentiary of the People's Socialist Republic of Albania to the Republic of Turkey, replacing Comrade Gjylani Shehu.

Economic Progress Report for 31 Jan-6 Feb

AU062029 [Editorial Report] Tirana Domestic Service in Albanian in its broadcasts between 31 January-6 February carries the following economic performance reports (time and date of broadcast in parentheses):

Fier District—Fifty-three collectives have reported fulfillment of their plans (1900 GMT 3 February);

Kolonje District—The general January industrial plan has been overfulfilled 2 percent (1900 GMT 2 February);

Lezhe District—The general industrial production plan for January has been fulfilled (1900 GMT 3 February);

Sarande District—The overall industrial plan for January has been fulfilled at 110.1 percent (1900 GMT 3 February);

Tepelene District—The general industrial plan for the month of January has been successfully completed (1900 GMT 3 February);

Leaders' Public Appearances 31 Jan-6 Feb

AU062031 [Editorial Report] Tirana Domestic Service in Albanian in its broadcasts from 31 January-6 February reports the following public appearances of Albanian leaders (time and date of broadcast in parentheses):

Besnik Bekteshi, AWP Central Committee Politburo member and deputy chairman of the Council of Ministers, attended on 3 February an AWP aktiv which examined the work of the communal service sector in the No 3 section of Tirana, noting improvements and shortcomings. (Tirana Domestic Albanian 1900 GMT 3 February)

BCP Conference Resolution on Restructuring

AU072031 Sofia RABOTNICHESKO DELO in Bulgarian 2 Feb 87 pp 1-3

["Resolution of the BCP National Conference on Restructuring and the Further Construction of Socialism in the People's Republic of Bulgaria"— boldfaced passages as published; uppercase type passages as published]

[Text] **The BCP National Conference is being held in an atmosphere of profound and radical change in the development of our country.** The concept of the July 1987 Plenum of the BCP Central Committee for the further construction of socialism in Bulgaria is presently being implemented.

The heart of this process now is the all-embracing restructuring of social life in Bulgaria. It is developing in accordance with the strategic policy of the 13th BCP Congress for achieving qualitatively new growth and with the postulates and decisions of the July 1987 and November 1987 Plenums of the BCP Central Committee.

1. Bearing in mind the irreversible nature of restructuring and the special features of the present stage, the conference unanimously approves the concept ratified by the July 1987 BCP Central Committee Plenum. This concept forms a theoretical, political, organizational, and practical basis for the activity of the party, state, and the millions of working people for Bulgaria's revolutionary restructuring.

The concept, drawn up on the basis of Marxism-Leninism, is a scientifically-based platform for restructuring. It brings under one common denominator all aspects of restructuring—in the economy, the social sphere, intellectual life, and in the political system—and develops them into a comprehensive system.

The concept provides a comprehensive vision of the chief goal of restructuring in Bulgaria—the renewal of socialist society and the attaining of a qualitatively new state of this society. Within the concept, the requirements of the **objective natural laws are embodied in specific principles.** These principles form a guide for action in our political and organizational work.

The concept outlines the ways and means for solving the great national task—to turn the People's Republic of Bulgaria into a highly developed and civilized state. It makes increasing the prosperity of the people and creating ever better material and intellectual conditions for the people's life an immediate aim of restructuring.

The concept places man, with his interests and behavior, his ethics and upbringing, at the center of all the revolutionary reforms. Man is **the goal** of the restructuring that has begun, he is **the factor** for its successful completion.

The concept is the fruit of the collective mind. It contains, in summary form, the results of the work of scientists, specialists, and workers in different fields of public-political and social practice.

This revolutionary cause is inseparably connected with the name and personal contribution of Comrade Todor Zhivkov, general secretary of the BCP Central Committee.

The concept aroused immense interest and met with approval from the Communists, united agrarians, and the entire people. This confidence in the party and this support of its policy forms a priceless capital, won through the labor and struggle of generations of Bulgarian Communists.

The concept is an open system. It will be enriched and made more specific by the changes in conditions and time and with the accumulation of new knowledge and experience.

2. In this connection, the BCP National Conference assesses the concept approved by the July 1987 BCP Central Committee Plenum as of historic importance for the further implementation of the party's Leninist April line.

During the years of people's power, and especially following the April 1956 Plenum of the BCP Central Committee, Bulgaria accomplished a true leap forward in its comprehensive development. This leap has no equal in Bulgaria's many centuries of history. The country developed at one of the highest rates in the world and became an industrial-agrarian state with a growing living standard and great international authority.

However, the possibilities of the previous socialism model in Bulgaria have already been exhausted. The July concept is an objective necessity, a timely and correct response to the issues posed by social development in Bulgaria in recent years.

A radical qualitative change is under way in the world in the development of the productive forces, whose directions and content are determined by the scientific and technical revolution.

In the modern nuclear world mankind faces a fateful choice—to survive or to perish. It is the historical calling of socialism to consolidate its positions even more strongly in the struggle for the democratic restructuring of international relations, for peace and social progress, and for solving the global problems of mankind.

The socialist countries are entering a new stage of dynamic, intensive development.

The renewal processes under way in the Soviet Union are deep and comprehensive. **The restructuring being carried out under the leadership of the CPSU is of immense importance for the Soviet Union, world socialism, and the whole of mankind.**

In response to the modern realities, which are exerting a strong influence on the base and the superstructure and on the life of our society, the July 1987 BCP Central Committee Plenum **developed a new model of socialism. This model conforms to our specific conditions and relates to socialism in the People's Republic of Bulgaria. It is the result of lengthy searches by the party in theory and practice.** A dialectical synthesis has been achieved of the ideas and postulates of the 13th BCP Congress and the February 1985, January 1986, and December 1986 Plenums of the BCP Central Committee.

The founding principle of this model is **the principle of socialist self-management; of making our society a self-managing one.** This presupposes revolutionary changes in all of **socialist society, while retaining the main principles and values that characterize this society.**

If we were to characterize, in the most general terms, what we are undertaking and what is already under way, we might say: We have begun a deep restructuring in all areas of social life, a restructuring that is revolutionary in its essence. We are entering a new historical stage in our entire development.

Our new visions and approaches that are being put into effect imply that we are to implement the scientific and technical revolution and, on its basis, carry out radical technological renewal; we are to accelerate the rates of growth of social labor productivity and the national income; we are to raise socialist production relations to a new level; we are to develop a new type of socialist democracy and involve the workers most widely in the management of social affairs; we are to raise the standard of management; and we are to increase the people's material and cultural living standards.

In emphasizing the organic connection between the party's Program for Constructing Developed Socialism and the concept of the July 1987 BCP Central Committee Plenum, the BCP National Conference considers it necessary for an appropriate **editing of the BCP Program** to be carried out. The new edition of the program is to be offered for broad discussion and is to be submitted to the next, 14th BCP Congress.

3. The BCP National Conference gives a positive assessment to the work completed in the fulfillment of the decisions of the 13th BCP Congress and the July 1987 and November 1987 BCP Central Committee Plenums.

Substantial changes have been made in the structure of government, including in the Council of Ministers.

New production complexes, trusts, and associations of a new type have been established.

By the creation of the oblasts and municipalities a new territorial division of the country has been carried out.

The municipal and oblast party leaderships have been elected.

The decision by the Politburo on the attributes of power is being implemented.

The necessary preparations have been completed within the framework of the current 5-Year Plan for a switch of the national economy, based on the principles of socialist self-management.

The Code for Economic Activity and the normative documents stemming therefrom for the integrated application of the economic regulators have been prepared and have come into force from the beginning of this year.

A start has been made on placing the objects of socialist property under the management and administration of the labor collectives, depending on the specific conditions and the extent of their preparedness.

All this is subordinate to the main issue, the primary link in our concept: the transition from power in the name of the people to power through the people.

At the same time the BCP National Conference emphasizes that **what has been accomplished should be evaluated as a beginning of the revolutionary changes mapped out in our entire social development.**

The complete implementation of the new model requires that **substantial amendments be made to the Constitution** of the People's Republic of Bulgaria. It is necessary to speed up the preparation of the proposed amendments and to ensure their nationwide discussion in depth.

4. The practical steps undertaken so far prove the vital nature of the strategy of working progressively and by stages in implementing restructuring.

Restructuring must be developed in breadth and depth, vigorously and consistently, correctly determining the key tasks at each stage of its implementation.

5. Bearing all this in mind, the BCP National Conference finds it necessary for the party organs and organizations and all Communists to concentrate their efforts at the present stage in the following chief directions:

—to make our society a self-managing one;

—to make a radical qualitative change in the development of the forces of production;

—to achieve a new quality of economic relationships;

—to conduct an active, effective social policy;

—to implement a radical restructuring in intellectual life;

—to further improve foreign political and foreign economic relations; and

—to further establish the party as the people's political vanguard.

MAKING OUR SOCIETY SELF-MANAGING must encompass all areas of society, all cells of the social system.

It is now particularly important that there should be a consolidation of the self-managing organizations and the territorial communities—the oblasts and municipalities; that only those rights, obligations, and responsibilities should be granted by the labor collectives and municipalities to the organs of self-management that the latter are capable of implementing; and that a radical redistribution of functions, rights, obligations, and responsibilities should take place between the state organs, on the one hand, and the self-managing organizations, communities, and organs of self-management, on the other.

The transformation of our society into a self-managing one **should proceed in dialectical unity with consolidating the strategic functions of the state and its organs,** while freeing them of bureaucratic, administrative, and high-handed methods of managing the economy and the other spheres.

This means that **the Leninist principle of democratic centralism** should be applied in a new way. On the basis of this principle, organizational links **of a new type** between the "superior" and "inferior" units of government should be created and established in place of the previous unidirected hierarchy. The self-management organs of the labor collectives and the municipalities **are acquiring rights and responsibilities** that previously were the prerogatives of the "superior" organs. **The higher echelon** is concentrating its attention on the strategic planning and strategic leadership of the state.

Self-management is to develop on the basis of effective democracy. Public, political, economic, ideological, and social conditions are to be created for developing socialist democracy in all areas of the social system, at all levels, and especially in the labor collectives, municipalities, and townships.

The elective and succession principles are to be most widely introduced in the the leading organs, as well as the competitive principle, with more candidates standing for one position. The principle is to be rigorously applied to the leading organs and leaders periodically rendering accountability reports to those who elected them on work completed, results achieved, weaknesses and errors committed, and on developing trends in the relevant spheres and territories. Wide publicity and access to information must be ensured. There must be improvements to the mechanisms for studying public opinion, and it must be guaranteed that public opinion is respected by all organs and organizations. The rule should be introduced requiring leaders to respond publicly to all questions concerning the state of the sphere, installations, and territorial units of which they are the leaders. Public-political conditions should be created for expanding criticism.

Self-management is to be implemented in dialectical unity with a one-man-command.

A legal system must be created that is adequate for the principles of self-management. New **laws must be drawn up and existing ones improved in order to achieve concordance in the entire legal system. The principle should be consistently and uncompromisingly applied that all labor collectives and territorial communities, all organs of management and self-management, and all citizens are equal under the law.**

The immunity of the rights of the labor collectives and the municipalities to encroachments and bureaucratic interference by state organs must be guaranteed by the laws and by strict observance of the law. An atmosphere of public intolerance should be created toward negative phenomena and breaches of discipline and good order. The role of the citizen should be elevated in his relations with the state organs, municipalities, and townships. **The rights, liberties, and dignity of the citizen of the People's Republic of Bulgaria must be uncompromisingly protected.**

The functions and powers of the juridicial organs are to be changed. No interference in their work is to be permitted. The control of the courts over acts of the administration is to be extended, including the issue and cancellation of permits for the formation of associations of citizens for economic or other activity and for practising individual labor.

The public organizations and movements, the Fatherland Front, the Bulgarian trade unions, the Dimitrov Komsomol, and others, in conformity with their specific functions and tasks, must be established as an organic part of the system of self-management.The main thing for them is for the principle of voluntary membership to be truly applied, as well as the extension of democracy in forming their leading organs and **the application of the delegate principle.** Comprehensive assistance is to be rendered to **voluntary action associations of citizens** set up in the spirit of the principles and ideals of socialism.

The BCP National Conference is convinced that the relations between **the BCP and the Bulgarian National Agrarian Union** will continue in the future to develop on the basis of the sound, approved communist-agrarian unity and in accordance with the new processes in the development of our socialist society.

A RADICAL QUALITATIVE CHANGE IN THE DEVELOPMENT OF THE FORCES OF PRODUCTION is to be carried out on the basis of the scientific and technical revolution. This requires that a transition be made toward **a qualitatively new technological base** through developing science and introducing fundamentally novel technologies.

It is especially important for us to consolidate our positions and reinforce our technological and market priorities in certain fields, most of all in electronics, chemistry, the biotechnologies, and machine building.

The synthesis of science, information science, and computers should be made a leading criterion for the development of the forces of production, for implementing technological and structural changes, and for raising the quality of production output.

The limited resources that the country has available and the complexity of the radical qualitative change in the development of the forces of production require that this change should be carried out **in stages.** During the Ninth and Tenth 5-Year Plan periods the relationship between the introduction of fundamentally novel technologies and the further improvement of existing technologies should be optimized, in order to achieve the highest economic, social, and ecological effect.

We must **optimize** the relationship between mass, series, and one-time production in accordance with the demand on the domestic and international markets.

Priority must be given to **small and medium-sized enterprises** which are based on the most up-to-date production and control technologies.

In implementing the structural reorganization of the national economy, the production of energy- and material-intensive products, products with a low intellectual content, noncompetitive products, and products that pollute the environment **is to be gradually halted.**

The technological restructuring of the production forces in agriculture is to be speeded up through increasingly wider utilization of biotechnologies, tissue cultures, and scientifically based systems of farming that are adapted to ecological conditions. Irrigation is to be extended, using fundamentally new technologies. A changeover to programmed control of the formation of yields will be carried out.

Special concern is to be paid to developing productive forces in the services, social, and intellectual areas. Information and communication technologies should be widely introduced in health, banking, trade, transportation, communications, administrative, and other services to the population. The backwardness in the construction of the material base in the intellectual field is to be overcome.

The technological base of science is to be developed more rapidly than that of production.

The national productive forces are to be developed as an integral part of the world productive forces, and especially of the productive forces of the socialist community, in conformity with the latters' dynamics. As an unshakable principle, the technological level of the productive forces in Bulgaria must **without delay** be made comparable and commensurate with world standards, especially with the level in the countries most developed in scientific and technological aspects. Any deviation from this yardstick and any unjustified imposition of "our own" yardstick must be eliminated.

In further developing and deepening the production, scientific, and technical integration with the other socialist countries, and especially with the Soviet Union, there must be a broad changeover to direct links between enterprises and trusts and toward setting up joint enterprises and trusts. The necessary efforts must be applied for the specific problems of our integration with these countries to be solved before the end of the 5-year-plan period by the self-managing production and scientific organizations, primarily on an economic basis, and with economic methods and means.

THE QUALITATIVE RESTRUCTURING OF ECONOMIC RELATIONS AND THE UNLEASHING OF SOCIETY'S SOCIAL ENERGY are to be achieved on the basis of developing and diversifying property relationships. Normative acts are to be employed to ensure the unity and indivisibility **of socialist property in its diverse forms:** state, cooperative, municipal, group, and individual property; the property of public organizations and associations between the various forms of property; and joint property, with the participation of foreign organizations and individuals.

The placing of socialist property under the management and administration of the labor collectives is a key issue for the qualitative restructuring of economic relations. This is a method by which the labor collectives and territorial communities are to fully assume all the rights, obligations, and responsibilities through which they are to carry out their entire activity, be placed under new economic conditions, and achieve the maximum effect for society.

The mechanism of self-management of the economy is to be used to ensure full realization of the economic interests, as a principal motive for economic activity in order to develop and improve production. Economic, political, and legal means are to be employed to create real **guarantees for the fully-fledged functioning of national, collective, and individual interests and to ensure that they act in one way.**

A new approach is to be applied for evaluating labor activity, which is to be measured by the quantity and quality of the "publicly recognized results" obtained therefrom. The incomes of the labor collectives are to be fixed entirely from these results, measured according to actually produced and marketed output and services.

There must be a radical improvement in the organization and payment of labor, by introducing new forms of payment that will stimulate the labor collectives and individual workers to achieve efficient production of varied, high-quality, and popular products. The regulation of wages is to be in close relationship with the end results of the labor collective and is to act in the same manner as the other economic regulators and normative documents.

The levelling approach in labor remuneration is to be uncompromisingly eliminated through the introduction of a new three-stage scale for determining basic pay rates and their increase in relation to the growth of the creative contribution to the end results in all areas. On this basis, no limits to individual incomes are to be permitted in cases where high results are achieved; pay will be received not for the post occupied, but for the results achieved; and creative labor that ensures social progress is to be assessed and paid at a substantially higher level. In this connection, before the end of 1988 the basic wages of engineering, technical, and scientific workers, doctors, teachers, and others are to be raised. The remuneration of the leaders in the economy is to be fixed in accordance with the results achieved by the organization of which they are in charge.

The piecework principle must receive the widest promulgation and support as a form for the workers' direct involvement in the plants and installations making up socialist property.

Planning is to be developed under self-management conditions as a basic tool for managing the national economy. The state is to focus its activity on ensuring the strategic planning of the national economy, while the labor collectives are to independently plan the whole of their activity in accordance with the state strategy. The transition from planning by directive to planning based on normative documents is to be completed. The economic conditions, normative regulations, and regulators are to stimulate the economic activity of the labor collectives in conformity with the aims and proportions of the state plan.

A new approach is to be applied toward prices and price-setting, which will gradually eliminate the distortions that have accumulated in this field. Wholesale prices are to be adjusted by stages to the levels of the prices operating in international markets. The entire price reform, which relates to both wholesale and retail prices and to the monetary incomes of the population, is to be carried out after first being discussed by the whole nation.

The financial mechanism is to be radically improved. Through the tax system, the enterprises are to be placed under identical economic conditions and the processes of redistribution are to be cut to a minimum. Subsidies and the financing of capital investments from the budget are to be reduced and gradually eliminated.

The restructuring of the banking system is to be completed and its activity stimulated. Commercial banks are to be developed and consolidated as banks for the goods producers, based on economic interest. The Bulgarian National Bank is to participate in developing and conducting state banking policy and is to coordinate the banks' activities, without restricting their independence and initiative.

From now on economic interrelations are to be built on a contractual basis and qualitative improvements are to be made to the contract system. The principle is to be applied of full economic responsibility and of the irrevocability of economic sanctions for failure to execute contracts. The **arbitration system** is to be reorganized in conformity with self-management principles.

The entire mechanism of self-management of the economy is to be used to create public, collective, and individual interest in **the development of scientific and technical progress.**

An **atmosphere of competitiveness and socialist competition in the economy** is to be created through the economic, legal, and other means organically incorporated in the mechanism of self-management of the economy. In this way the enterprises are to be compelled to intellectualize their production and to introduce scientific and technical achievements at a rapid rate. A normative act is to be created and introduced to limit the producers' monopoly.

The system of competition is to become one of the forms of competitiveness: for state orders, for research and development, for credits, for capital investment in the investment process, for providing staff, and so on. The competitive principle is to be established as a form for combining the material and intellectual interests of the individual and with those of society.

The stability, future, and security of the self-managing communities is to be ensured. A **code for the socialist self-managing communities is to be drawn up and adopted, which will come into force from the beginning of 1991.**

AN ACTIVE AND EFFECTIVE SOCIAL POLICY IS TO BE CONDUCTED which is to provide for and recognize community needs and create conditions for them to be satisfied. The social policy is to be not only a condition for social security, but also **a factor for stimulating man's social activity** and for successfully solving the tasks in all spheres of our society. Priority is to be given to those who are better at their work and whose labor is more productive.

The solving of the social problems directly depends on the results of the labor of everyone, of every labor collective, and of every citizen. The organization and management of the social sphere are to be constructed on the basis of self-management and are to guarantee social efficiency and justice.

The achievement of a new quality of life for the people is a crucial trend of active social policy. This means creating broad opportunities for the individual to develop and realize himself, for meeting the complex requirements for varied, high-quality goods and services, and for radically improving housing, the working environment, medical services, etc.

The following disproportions that have appeared are to be overcome: between the production of means of production and the production of consumer articles, bearing in mind the effects on imports and exports; between the development of the domestic market and the services sector, on the one hand, and the general development of the economy, on the other; and between the commodity funds and services and the money incomes of the population. More attention is to be paid to the development of the integration processes with the CEMA member countries, in the production of goods and services for the population and in the social sphere.

The self-managing goods producers are to bear economic and social responsibility for the production of consumer goods and services and, jointly with the municipalities and the trading organizations, are to be responsible for meeting consumer demand from the population. The municipalities are to create economic conditions and, jointly with the commodity producers and the trading organizations, are to ensure the opening up of new sources and reserves, including sources of labor, for the self-satisfaction of the population with goods and services.

The social security of all members of the socialist society is to be guaranteed, and **the social minimum of subsistence means is to be guaranteed for those categories of the population who have low incomes.**

The necessary information is to be provided and wide publicity is to be given to increasing nominal and real wages and the population's nominal and real incomes, and no lagging is to be permitted in the growth of real wages and real incomes.

Immediate measures are to be undertaken to **radically increase the level of health care** and further improve health services to the population. With the changeover to self-management and through the new mechanism in the health care field, solutions are to be found to the problems of preventative health care, organization, provision of drugs and medicines, the material base, and the linkage of the remuneration of medical staff with the results of their labor.

The solution of the **housing problem** by increasing the number of dwellings built is to become one of the factors for increasing economic growth. The structure of newly constructed and modernized dwellings, in respect to the number of rooms, is to strictly conform to the structure, according to the number of members, of the families desiring to improve their living conditions. All forms of housing construction are to be expanded: state, cooperative, and individual. The municipalities are to ensure integrated construction of centers of population, making special efforts to solve the problems in the villages, in order to lessen the migration of the rural population, especially of the youth. Solutions are to be found to the social problems of the working **woman,** mother, and housewife that stem from her role in the reproduction of the nation and her increased participation in socially beneficial labor.

Increasingly more attention is to be paid to **the youth** and integrated solutions found to the problems that modern realities are giving rise to in the development, upbringing, and training of the younger generation for conscious, highly productive labor, for the creation of strong, healthy socialist families and for giving birth to two, three, or more children.

The increasing social importance of ecological problems requires a **new ecological policy.** Ecology problems must be examined at the same level as technical problems, the economic efficiency of production and services, and the competitiveness of production and services.

THE RESTRUCTURING OF INTELLECTUAL LIFE is an important condition for building up Bulgaria as a highly developed and civilized state. In order to meet the challenges of our times, our nation must rise incomparably higher in educational, scientific, and cultural respects, and **our nation must become instilled with a new sociopolitical awareness.**

The task is **to create the necessary preconditions for everyone to strive to grow, and be able to grow, as a comprehensively developed and highly cultured citizen with high morals, a conscious and effective participant in the building of socialist society.**

Efforts are to be directed toward ensuring conditions for an advance in intellectual values that will reach every labor collective, every home and family, every individual, making use of the cultural wealth of the municipality, the oblast, the country, and the world.

The intellectual upsurge is to be implemented on the basis of the objectively required **synthesis of science, culture, and education**—an obligatory condition for raising the social role of the human factor at the current stage of the scientific and technical revolution.

It is crucial to **place on a new footing the interrelationships and interaction between intellectual production and the other areas of life.** It is necessary to ensure for them the creation of values of a level and with an effect that exceed our previous conceptions and yardsticks. We must decisively abandon the "homegrown" criteria and look for comparisons to the world achievements in education, science, culture, and art. At the same time we must carry out a **radical change in the attitude of society to intellectual production.** The state, the self-managing economic organizations, and the territorial communities must regard the material-financial and staff provisions for intellectual production as a vital necessity. Mutual obligations and rights are to be built up on a contractual basis, with the utmost stringency and the highest criteria.

The restructuring is to encompass the entire intellectual process, starting here from the basic creative groups, collectives, and institutions, where ideological, artistic, and educational values are created, and reaching the organs of self-management and government at the national level. All the basic principles of the restructuring of society are valid for the intellectual sphere, and they must be applied in strict accordance with the specific requirements of intellectual production and of every component part thereof.

The immediate tasks are these:

—to build up the entire structure of science, culture, education, and the other intellectual activities **from the bottom to the top on the basis of the principles of self-management**, broad democracy, the elective principle, and the removability [smenyaemost] and accountability of leaderships; and

—to draw up and apply in a beneficial manner **specific economic regulations for the development of intellectual production**;

The ideological work is to elucidate the meaning and nature of restructuring, develop and propose **new ideas**, and confirm **qualitative changes** in socialist society. It is necessary **to fully expand the anticipatory, revolutionary functions of ideology**, which is called upon to shape a lofty social awareness and an active attitude toward socialism, new sociopolitical thinking, and a favorable ideological-moral climate for the continuous creativity and heightened sense of responsibility of every citizen in every labor collective and territorial community.

Systematic and active work is to be conducted to consolidate **the uniform Bulgarian socialist consciousness** of the people, based on the revolutionary virtues of the workers class and the most progressive elements in the nation's historical and contemporary experience. Education in patriotism is to be organically permeated with the spirit of socialist internationalism and with the consolidation of common human values.

Ideological work is to become a **bi-directional process.** It is to rest on the rich experience of the workers, the lessons from life, and dynamically changing social practice.

Glasnost, dialogue on topical issues, civilized behavior in disputes, listening to public opinion, and mutual respect are the weapons for ideological activity that must be mastered in the campaign for the democratization of social relations and for establishing socialist justice. The competence and professionalism of public criticism are to be raised and abuses of the right of criticism are to be overcome, as well as attempts to suppress criticism.

The system for exerting ideological influence, ideological instruction, party education, propaganda, agitation, and mass cultural activity must be entirely and radically renewed.

The restructuring is to bring the **national education** system into complete conformity with the natural laws, the achievements of the modern scientific and technical revolution, and the dynamically changing requirements of production, social practice, and the whole life of socialist society.

A **continuous process of education and professional training throughout the whole of a man's working life** is to be ensured. Qualitatively new forms of training are to be established and developed, based on association of the self-managing economic organizations and the territorial communities with the schools and with science.

The further restructuring of the secondary school system is to continue—uniform secondary polytechnic schools and technical schools. The **new** uniform secondary polytechnic **school** is to provide wide opportunities for mastering the achievements of modern science, for **complete fulfillment in work**, and for continuing the education of young people. The aim is to radically improve the quality of the content of teaching and to overcome the excessive burdening of pupils, in order to foster in them skills and practical experience in thinking independently and training themselves, based on the differentiation and individualization of interests.

Polytechnic education is to be introduced to a **great extent** and the profile of professional job training is to be expanded; special attention is to be paid to emotional and physical education; the linguistic standards of schoolchildren and students is to be raised; and the entire process of **the communist education** of the younger generation is to be improved.

The higher schools are to be built up over a short period as integrated self-managing **scientific-educational and educational-scientific** centers closely linked with the economic, territorial, and scientific communities.

A start is to be made on radically restructuring the management and organization of **scientific activity**, to build up a **viable, flexible, and highly adaptable system of science that reacts quickly to the present and future requirements of social practice in Bulgaria.**

Priority is to be given to the **special-project principle** for organizing scientific research. Mechanisms and normative documents are to be developed and applied that lead to **unity of the scientific production process, to integration**

of science, information science, and computers, and to a beneficial synthesis with culture, education, and the other activities of material and intellectual production.

Special attention is to be paid to developing **the social sciences,** which must analyze in depth the processes and phenomena of life, study life's contradictions and motivating forces, and discover **new natural laws, tendencies, and sources for renewing** and advancing society.

In the field of **artistic culture** the chief aim is to create increasingly fuller opportunities for the people, irrespective of where they live and work, **to have active contact with artistic values.** Every village is to be opened up to the cultural values of the community, the oblast, and the country, as well as to the cultures of other countries.

The labor collectives and municipalities are to provide better and better conditions for fully communing with culture, in order to stimulate the workers to constantly strive to develop and improve themselves intellectually, and to confirm man as a passive and **active participant in cultural life.** Nationwide aesthetic education must be raised to a new level, the "Banner of Peace" movement is to be expanded, and more complete conditions are to be ensured for all talents to flourish.

In the field of artistic creativity, the restructuring of the **creative unions and organizations** as self-managing units is to be accelerated. These are to develop their activity and direct the creative process on the principles of complete democracy, the social principle, and the removability of leaderships.

Creative people are to direct their efforts toward creating works that reveal with artistic convincingness the many sides of life in all its complexity, the revolutionary nature of our time of radical change, and the continuously increasing role of the socially active personality. The period of restructuring presents a rare chance for everyone, and for the young creative workers most of all.

The mass media are to be raised to a new active position and new qualitative changes are to be introduced in their structure and public status as organs of the self-managing organizations and communities. Professionalism, the investigative principle, and the organizing role are to be intensified in their work, the new branches are to be supported, and efficient and continuous feedback is to be maintained. **They are to involve the people in the restructuring of the country.**

THE FOREIGN POLITICAL AND FOREIGN ECONOMIC RELATIONS OF THE PEOPLE'S REPUBLIC OF BULGARIA are to be brought into full conformity with the tasks of restructuring, and there is to be an increase in their contribution to the dynamic development of the country's economy.

We are to take a most active part, using our own initiatives, in shaping and conducting the coordinated policy of the fraternal socialist countries for universal adoption and conforming to the principles of peaceful coexistence, for averting thermonuclear war, for resolving the global problems of mankind, and for establishing a morality and a dialogue in the international sphere based on equal rights. Our actions in the world are to assist the creation of a qualitatively new state of socialism in Bulgaria. Specific expression is to be given to the new political thinking in international relations, in conformity with the conditions in the Balkans and the Mediterranean region.

On the basis of the coincidence in principle of the goals and directions of restructuring in Bulgaria and the Soviet Union, Bulgarian-Soviet cooperation is to be raised to a qualitatively new level.

The opportunities created by restructuring are to be utilized to achieve a comprehensive "mutual opening up" between the socialist states in all fields and to establish relations of even greater comradeship, trust and mutual assistance. Ideas and approaches are to be proposed for increasing the efficiency and dynamism of cooperation in the socialist community and for establishing a new model for socialist economic integration. The reorganization of the activity of CEMA as a new type of organization is to be promoted, and a move made toward drawing the economic mechanisms of the CEMA member countries closer together and setting up a common market for them. More effective use is to be made of the currency-credit mechanisms, and there is to be a transition, by common agreement, toward convertibility of the national currencies of the CEMA member currencies.

By ascribing primary importance to the comprehensive relations of friendship, cooperation, and drawing closer together with the countries of the socialist community, we are to more actively develop our ties with all socialist countries.

The restructuring of foreign economic activity is to contribute toward raising the efficiency of the national economy and to bringing the goods producers into direct confrontation with the foreign markets. The relative amount of production sharing and other modern forms of economic ties is to expand. Most favorable conditions are to be created at the international level for effective economic relations that produce results.

As it has done before, the People's Republic of Bulgaria is to pay special attention to its relations with the Balkan states. Our concrete actions are to establish understanding, good-neighborliness, and mutual benefit. We are to activate the discussion of the proposals for making the Balkans a nuclear- and chemical-weapon-free zone, and also of the other initiatives already taken. New proposals are to be made in the future. The level of military confrontation is to be lowered, and equilibrium established in the region. The Balkans are to become a true zone of peace.

Bulgaria's cooperation with the developed countries is to be raised to a higher level, bearing in mind our capabilities and traditions, mutual interests, and the specific situation of this vast region of the world.

The People's Republic of Bulgaria is to build its relations with the developed capitalist countries based on full equal rights, in mutual conformity with interests, and in well-wishing partnership. We are to work for stable economic, political, scientific, and technical links on a long-term basis.

Taken as a whole, our foreign policy **is to individualize to the maximum extent the relations with the various states in the world,** making use of their experience for the purposes of the qualitatively new growth in all spheres of society.

The successful implementation of the new model of socialism in Bulgaria requires **a rational system for managing our international activity,** complete utilization of cadre potential and the available resources, and the elimination of duplication, bureaucratic attitudes, and the narrow departmental approach. Changes have to be made in the work of the ministries and organizations with competence in the international sphere, as well as in the embassies and other offices abroad.

The BCP will implement active contacts, conforming to its traditions and capabilities, with the communist, workers, socialist, and other progressive parties and movements. At the same time the BCP, as a ruling party, is to establish and stimulate its links with influential bourgeois-democratic, national, and other parties.

The party of the Bulgarian Communists is convinced that in their international activities the Bulgarian National Agrarian Union, the Fatherland Front, the Bulgarian trade unions, and the Dimitrov Komsomol will make their own contributions to establishing the new political thinking.

In parallel with building up Bulgaria as a modern, civilized, and thriving socialist country, her international positions will also be consolidated. Our foreign relations must correspond to these qualitative changes in our state.

THE BCP, AS THE POLITICAL VANGUARD OF THE WORKERS CLASS AND THE ENTIRE PEOPLE, is a strike force for restructuring, an initiator, organizer, and leader of the direct implementation of restructuring in all spheres of life.

The party must grasp the meaning of the qualitatively new requirements relating to its place, role, and functions in society, and make radical changes in its interrelations with all components of the political system and in the style, forms, and methods of its work. As a result of all this, it must raise its guiding and directing role to the level of the new great and complex tasks.

The fundamental principle that must continue to be observed in the future **in realizing the guiding role of the party is its right and responsibility to develop and establish the general course for socialist construction and define the main directions of the socioeconomic development of the country.**

Fundamental changes are to be effected **in the party's interrelations with the state organs and the self-managing and public organizations.** The most important, irrevocable, and immediate requirement in this area is for the party and its organs to divest themselves of functions that are inappropriate for them, so as not to form a "stage" in the hierarchy of state government.

The state organs and the self-managing communities are to be given the guaranteed right to determine the specific ways in which party policy is to be conducted in the various spheres. When necessary, the party and state organs may and should be not only partners, but also opponents.

The restructuring of society will be achieved to the extent that the party, its organizations, leading organs, cadres, and all party members undergo restructuring themselves.

The BCP National Conference **attaches exceptional importance to the proposal in the report of Comrade Todor Zhivkov that in the future the leading posts in the party, from the general secretaryship of the BCP Central Committee down to the secretaryship of a primary party organization, should be held for two consecutive terms, and exceptionally for three terms.** This proposal is in complete harmony with the Leninist principles and requirements for renewal of the leadership cadres; for increasing their responsibility and authority; for raising the requirements relating to their political, moral, and intellectual qualities; and for educating all Communists in the spirit of the Marxist-Leninist ideals.

The BCP National Conference recommends that the principle of the mandate system should be embodied in the amendments to the BCP Statute that are to be submitted to the 14th BCP Congress. It is recommended that this principle also be introduced in the state organs and in all public organizations.

Fundamental changes must also occur in work with **the cadres.** In developing the precious traditions of its April cadre policy under the new conditions, the party should increase its concern regarding the practical and professional training of the cadres, ensure that their style and methods of work are brought into conformity with the principles of restructuring, and strictly observe democratic procedures in their selection and the fulfillment of their roles.

An overall reassessment is to be made of the cadre provision of the municipalities and additional measures adopted to reinforce them with the necessary specialists.

Now, at the stage of restructuring, the strength of the party is more than ever defined by its links with the masses, by the study of the life, interests, opinions, and moods of the people, by the utilization of the people's wisdom and collective intelligence.

The party organs and organizations should carry out radical changes in the style, forms, and methods of their work, and raise the organizational and ideological standard of their diverse activities.

Under the conditions of self-management **the principal functions of the party organs and organizations** should be primarily expressed by the following: in creating **a political, moral, and ideological climate** in the country, the labor collectives, and the territorial communities for successfully carrying out the party's policy; in **actively influencing,** through the Communists in the various spheres, the fulfilling of the goals set by the party; in consistently conducting **cadre policy** in accordance with party principles; in purposeful **educational and ideological work** among the entire population, and particularly among the youth; in **studying the results of the execution of party policy** and adopting political measures to solve ripe problems; in exercising effective **party control** over fulfillment of the program; and in strictly observing the BCP Statute, party and state discipline, moral norms, and socialist legality.

The efficiency of the primary party organization must be raised. The Communists must correctly interpret the essence, strategy, and tactics of restructuring and mobilize all workers to accomplish restructuring.

Internal party democracy must be developed and expanded in the party organizations and organs.

Measures are to be undertaken to improve the **qualitative composition** of the party organizations through exercising increased strictness regarding the **new members** entering the party, who must be politically active, morally pure, bold fighters for the revolutionary renewal of socialism. Work is to be done to increase the ideological awareness, educational and professional level, personal example, and the vanguard role of **every party member.** The party is to uncompromisingly **rid itself of all** those who, because of their breeding and behavior in their work, public and private life, or their moral aspect are unworthy of the high title of **party member.**

The work of **the local party organs, and especially of the newly formed oblast and municipal BCP committees,** is to be imbued with fundamentally new content. The principal task is for them to realize and establish themselves as **political leaders** of the population and labor collectives. This political activity is to be carried out on the basis of **complete, timely, and objective information** gathered and processed by scientific methods and modern technical means.

The rule must be introduced and rigorously observed that **the Communists with responsible work are to periodically render account on this work to the party organs and organizations.**

The chief element in the political and organizational work of the party organs among the workers is not to be the "handing down" of party decisions, but the assistance rendered to the workers collectives to help them understand their interests in accomplishing restructuring.

The party organs are to create **an atmosphere of creativity, high competence, and efficiency in work.** All members of the elected organ and recognized specialists in various fields are to take an active part in their many-sided activities. Manifestations of administrative attitudes, an excessive love of meetings, bureaucratic attitudes, outward show, and of being carried away by plans, programs, and measures for their own sake are to be rigorously overcome. Ties to the primary party organizations and the labor collectives are to be strengthened. Conditions are to be created for the latter, and assistance given to them on the spot, to develop their activity in accordance with the principles of self-management.

The period following the July Plenum of the BCP Central Committee is an extremely short one for the attainment of substantial results from the restructuring that has started. However, this period demonstrates that the chosen course is a correct one, that it corresponds to the objective requirements of the current stage of radical change in our development, and that it is being accepted with understanding and support by the people. And this is the crucial condition for advancing Bulgaria to a higher, qualitatively new stage of development.

Along the path of restructuring the party and people will also encounter **difficulties.** The most important of these will arise from **the state of the subjective factor.** There will be a sense of lack of knowledge and practical experience for carrying out the planned reforms. It will be difficult to master the knack of thinking and working in accordance with the new realities and requirements. Instances of lack of discipline, alienation from social property, social life, and labor will delay the movement forward. We will be hindered by attempts to place personal and group interests above those of society as a whole. Difficulties will also occur connected with limited raw and other materials, foreign exchange, and other resources.

The overcoming of these difficulties will require much effort, but the struggle against them is a condition for unleashing the social energy of the millions of working people. Under these conditions the leading organs and cadres, the party, and the people as a whole will amass new social and political experience, will harden themselves, and grow in accordance with the new stage of society's development. **All of us, both individually and collectively, face a difficult test from our life and times, a test that we must pass with honor!**

And the test will be passed, because, in both a theoretical and practical respect, and from both a domestic and international viewpoint, we have the conditions and opportunities available to bring the cause of restructuring to final completion.

The BCP National Conference finds that the crucial factor at the present stage is for the spirit, fervor, and content of restructuring to engulf millions of people in order to make them a foundation for the practical activity of the entire people.

The cause of restructuring is the cause of the entire people! This is now the demand of the time.

In this fateful cause, the party will continue to rely in the future on its tried and tested allies—the united agrarians, Komsomol members, nonparty people, and the entire nation.

Restructuring must become a profound inner conviction, an active position, and a personal destiny for everyone; it must become a truly nation-wide cause. Then it will be implemented in real life!

The task is that the revolutionary change that we want to implement, and which we will implement, should be assimilated, enter the consciousness, and be comprehended by every worker of our society, that it should become a vital cause for the people, their experience and creativity, a path for satisfying the interests of each and everyone of us.

It will be a complex process, one which requires us to raise our political awareness to a new level, to create a new social atmosphere in all spheres of life, and to unleash the strength and constructive might of a nation-wide participation in the renewal of socialism in Bulgaria.

The guarantee for complete success is the skill to master the dialectic of the objective and the subjective that is peculiar to the restructuring process, and **raise our political, ideological, and organizational work to a qualitatively new level.**

The Bulgarian Communist Party will now, as it has done previously at all decisive moments throughout the history of our country, prove worthy of its lofty calling—to be the initiator, active organizer, and leader of the revolutionary renewal of society.

Jakes Departs on Visit to Poland

LD080820 Prague Domestic Service in Slovak 0800 GMT 8 Feb 88

[Excerpt] Milos Jakes, general secretary of the CPCZ Central Committee, left Prague for Poland today for a friendly working visit. At Ruzyne Airport he was seen of by Vasil Bilak, member of the Presidium and secretary of the CPCZ Central Committee, Josef Haman, candidate member of the Presidium and secretary of the CPCZ Central Committee, and other officials. [passage omitted]

CSSR-Polish Cooperation Reviewed

LD080853 Prague CTK in English 0815 GMT 8 Feb 88

[Text] Prague Feb 8 (CTK)—Top-level meetings between party and state officials are of key importance for the development of Czechoslovak-Polish cooperation. The current visit by Czechoslovak Communist Party General Secretary Milos Jakes to Poland is his second foreign trip as Czechoslovakia's supreme party representative. The first took him to the USSR.

Close ties between the Communist Party of Czechoslovakia and the Polish United Workers' Party are based on the principles of Marxism-Leninism and socialist internationalism. Relations between the two countries' parliaments, governments, other political parties and mass organizations are also developing in a dynamic way.

Of growing importance has been the enhancement of economic relations. The mutual goods turnover exceeded 3,000 million roubles for the first time last year, and Poland thus became Czechoslovkaia's second biggest trade partner. The two countries are seeking new forms of cooperation—specialization and cooperation in production, direct relations between enterprises and scientific-technological institutions, joint ventures, etc. Stress on them is laid also by the long-term program of development of economic and scientific-technological cooperation between Czechoslovakia and Poland up to the year 2000. Concrete results produced thus far include cooperation in tractors manufacturing and in consumer electronics, the establishment of a joint board of directors, etc.

The strategy of accelerating socio-economic development now being implemented in Czechoslovakia, Poland and other socialist countries offers favourable conditions for the intensification of relations.

The search for new approaches and new solutions in the interest of the further development of socialism opens up broad possibilities for qualitatively new forms of cooperation.

In their foreign policies, Czechoslovakia and Poland actively contribute to the relaxation of international tension and take an important part in the peace initiative of the socialist countries. Poland fully supports the proposals of Czechoslovakia and the GDR to create a nuclear-free corridor and a chemical-weapons-free zone in Central Europe, and Czechoslovakia praises the Polish plan to reduce armament and increase confidence in Central Europe.

U.S. Deputy Secretary Whitehead Arrives

LD061336 Prague Domestic Service in Slovak 1300 GMT 6 Feb 88

[Text] U.S. Deputy Secretary of State John Whitehead arrived by air today on a visit to Czechoslovakia. He was welcomed at Bratislava airport by Evzen Vacek, a dpeuty minister of foreign affairs.

Soviet Delegation Arrives for Trade Talks

AU051801 Bratislava PRAVDA in Slovak 3 Feb 88 p 2

[CTK report in the "International Relations" column"]

[Text] A Soviet delegation headed by Yuriy Matsak, assistant to deputy chairman of the USSR Council of Ministers, has arrived for a working visit in Czechoslovakia. The delegation members held talks with Ladislav Luhovy, CSSR minister of general engineering, on deepening cooperation and the expansion of mutual deliveries, particularly in the sectors of textiles, tannery products, and footwear machinery, and consumer goods.

Strougal Receives USSR Envoy

LD052106 Prague Domestic Service in Slovak 1600 GMT 5 Feb 88

[Text] Federal Premier Lubomir Strougal today received Viktor Lomakin, Soviet ambassador to Czechoslovakia. The discussion concerned specific issues concerning a development and intensification of cooperation between the two countries, particularly in the economic field.

Federal Assembly Group Arrives in Belgium

LD061523 Prague CTK in English 1358 GMT 6 Feb 88

[Text] Brussels Feb 6 (CTK correspondent)—A delegation of the Czechoslovak Federal Assembly led by its first deputy chairman Jan Marko flew in here today to meet with representatives of the European Parliament.

Talks with the most important groups of the parliament's deputies will focus on mutual relations, and European security and cooperation.

Fojtik Interviewed on Events in 1968

LD060446 Budapest MTI in English 2203 GMT 5 Feb 88

[Text] Budapest, February 5 (MTI)—The "Panorama" programme of Hungarian television carried an interview Friday evening with Jan Fojtik, secretary of the Central Committee of the Communist Party of Czechoslovakia.

Among other things, Jan Fojtik said: "1968 is important for us not because we want to re-evaluate it, but because we are examining and more thoroughly considering all that took place at that time. We are creating our present standpoint by drawing the conclusions from the experiences of that time.

"In connection with 1968, our enemies try to force us into a position as if everything in our standpoint had been incorrect and negative then. And from this they draw conclusions for the present. Yet that is not how things stand. The 1968 process, as it was begun in January, was indeed a process of renewal and democratization, a great burst of activity which gripped the people. Later on it caused difficulties that there was a group in the party leadership that failed to come up to this difficult task. What happened after that is well-known.

"There were party members whom we expelled in 1970, and the membership of others was cancelled. Some people say that masses of people were concerned. Most recently, Dubcek referred to 480,000 people in his interview with UNITA. Naturally, there were many people, and I could not now say how many exactly, but what I am sure about is that this number is a little exaggerated. The number of those who were seriously affected by the measures, who were removed from their places was around 30,000. These were very hard times. Personal emotions naturally played a role in the events, some people strove to settle their account with their opponents."

Government Session Discusses Economy

LD061724 Prague CTK in English
1629 GMT 6 Feb 88

[Text] Prague Feb 6 (CTK)—The Czechoslovak Government discussed at its latest session major questions linked to the preparation of a long-term concept of the engineering and electrical engineering industries, and relation of these branches to the countries of the Council for Mutual Economic Assistance (CMEA), mainly the Soviet Union, and to conditions in the world market.

It was noted that the decisive criterion of success in both the home and foreign markets is the technical-economic standard of products.

Search for production and trade partners in the CMEA countries as well as in advanced capitalist countries and cooperation with them will make it possible to bring Czechoslovak products to the necessary technical and economic level, the government noted.

The government dealt in a critical way with a report on safeguarding the development of the electrical engineering industry in the 8th Five-Year Plan period (1986-1990) with prospects up to the year 2000. It stressed that further effective investments will have to be made into the electrical engineering industry and especially electronics, and that specialization and cooperation with the CMEA and other countries will have to be promoted more resolutely.

Discussing a report on the safeguarding of general repairs and reconstructions of large electric power plants' units in the years 1989-1990, the government enjoined the Fuels and Energy Ministry to consistently implement the program of repairs and reconstructions, and stressed its importance for both the improvement of the environment and more economical operations of the plants.

The government also enjoined relevant bodies to assess in a comprehensive way the development of the overall heat consumption in Czechoslovakia.

The government's Presidium today discussed the course of preparations for the construction of further important projects of Prague's metro (underground), and dealt with ensuring the fulfilment of the production tasks in the Ostrava-Karvina coal mines in the 8th five-year plan period with focus on safeguarding coal suitable to be coked.

Further Report

LD062259 Prague Domestic Service in Czech
1700 GMT 6 Feb 88

[Text] In its latest session, the federal government discussed principal issues arising from the preparation of the long-range concept for Czechoslovak machine-building, electrical engineering and electronics, and the relationship of these branches with CEMA countries, in particular with the Soviet Union, and with the conditions prevailing on world markets. From the discussion of the first version of the export-import concept for machine-building, electrical engineering, and electronics, it has emerged that the decisive criteria for success on both the domestic and foreign markets will be the technological and economic standard of products, which is a prerequisite of good salability; and that machine-building, electrical engineering, and electronics will bring the necessary foreign exchange for the needs of the entire national economy.

It is from this viewpoint that one must look not only at the concept for these branches now under preparation, but also at the activity of each machine-building, electrical engineering and electronics enterprise. At the same time, the solution is not a mere further quantitative, but above all qualitative, development of the manufacturing base: changes in the manufacturing structure; more thorough market research, coupled with the bringing of ascertained facts into research and development and the seeking of manufacturing and commercial partners both in CEMA countries and advanced capitalist countries. Cooperation with them will enable us to achieve the necessary technological and economic standard of our products. All this must be measured continually by the criteria of effectiveness of prices attained per kilogram and by competitiveness.

The federal government has given instructions to continue working on the import-export concept for machine building for the purpose of achieving higher than current results in the field of effectiveness in relation to the modernization of domestic manufacturing and the technological base, and to the ability to compete on world markets.

The federal government has critically discussed a report on ensuring the development of electrical engineering and electronics industry during the period of the eighth 5-year plan and its prospects up to the year of 2000, which are to create conditions for implementing the comprehensive program for the electronization of our national economy. From both the report and the ensuing debate, it has emerged that the economic assessment of the sector's development cannot be based merely on the fulfilment of the tasks set in the eighth 5-year plan because the continuing process of electronization of the national economy shows that the requirements are higher. This must be taken into account when specifying the targets set in the eighth 5-year plan, and particularly when drawing up the ninth 5-year plan. In advanced countries, this branch ranks among those that are developing most dynamically; moreover, electronics create conditions of effectiveness for other branches, particularly for machine building. We must also bring this about in our country in the future.

However, we are not yet succeeding in this regard. It will thus be necessary to make more effective investment in the electrical engineering industry, and particularly in electronics and, at the same time, intensify more resolutely specialization and production sharing with CEMA and other countries, in this way narrowing the range and raising the technological standard and effectiveness of domestically produced electronic goods. For this reason, it is essential to work out, regarding the conceptual projections for the development of electrical engineering and electronic industry, further variants that would be directed markedly at accelerating the developing of this branch, making it effective and ensuring its contribution, which would be done, above all, on the broad basis of international cooperation and integration.

The federal government also discussed the state target program, the development of applied electronics in selected sectors of the national economy. The program envisages, in the case of 127 specific ventures, the application of electronics to attain either world standards close to it, coupled with very positive economic benefits. Since our experiences have shown that, although resources have been provided for such programs, benefits have been less than expected, the government has instructed the State Planning Commission to include in the state plan both the costs of the state target program and its benefits, both regarding the eighth and ninth 5-year plan. This will enable us to register and verify the effectiveness of expended resources.

When considering a report on ensuring the implementation of general overhauls and modernization of large-scale generating units during the period of 1989 and 1990, in terms of capacities and materials, the government has instructed the minister of fuel and energy to consistently carry out the program for overhauls and modernization and stressed its importance both for the improvement of the environment and the more economical running of power plants.

The federal government has also discussed ensuring the development of the systems for centralized supply of heat, including investment associated with this, during the eighth 5-year plan. Also discussed was the outlook for the period of the ninth 5-year plan. Although development in this area is essentially in line with the projections contained in the eighth 5-year plan, difficulties are occurring in safeguarding, in terms of subcontractors, individual construction projects and investments that link the primary heat-providing plants, jeopardizing their utilization. For this reason, the government instructed its power commission to coordinate the relevant measures. It also ordered a comprehensive examination of the overall consumption of heat; the economic effectiveness of variants, including long-range distribution of heat supplies; and during the drafting of the ninth 5-year plan, proposed the necessary followup investment, ensuring supply of heat from power sources.

At its session on Saturday, 6 February, the Presidium of the federal government discussed action to be taken to prepare other important undertakings in the construction of the underground in Prague. It approved the results obtained by state experts on the design tasks in building a depot for the underground at Zlicin and the fifth traffic section of the underground's B line between Zlicin and the Dukeslaka Street. The traffic on this line, which will serve the main sections of the Southwest Town 1, is to begin in 1993, and expenditures on its construction will exceed 2.5 billion kcs.

The federal government Presidium also discussed the securing of production tasks in the Ostrava-Karvina mines concern during the period of the eighth 5-year plan, with special consideration to safeguarding the needs of coal suitable for coking purposes. At the same time, it discussed a report on the utilization of bituminous coal deposits and approved action designed to limit losses of coal deposits during the exploitation, thereby making better use of the country's mineral wealth.

The federal government Presidium familiarized itself with the results of quality inspections carried out by the people's control bodies during the second half of 1987 and with the implementation of steps to increase the quality of Czechoslovakia's output. It stressed that considerable scope in reducing low quality output rests in greater activity and greater exactingness by managers, from managing directors of enterprises up to senior authorities and departmental ministries. Softening demands on quality and giving priority to supplying volume, to the detriment of quality of goods produced, must not be permitted.

Further Reportage on Lambsdorff Visit

Assesses Talks With Honecker

LD041552 Hamburg DPA in German
1321 GMT 4 Feb 88

[Excerpts] East Berlin (DPA)—The economic policy spokesman of the FDP Bundestag group, Otto Graf Lambsdorff, has the impression that the GDR has no interest in escalating the situation that has arisen as a result of the recent arrests and jail sentences. Moreover the GDR does not plan to restrict the working conditions of journalists accredited to East Berlin. [passage omitted]

The FDP politician explained that he has not received a direct answer to his question on how the GDR is going to tackle the problem of some detainees who want to remain in the GDR rather than be deported after their release. He quoted Honecker as saying: "We are ready for dialogue. We are conducting a dialogue." However, any activity in this respect must take place within the framework of GDR law. [passage omitted]

The exchange of views, which was attended by Bonn's representative in East Berlin, Hans Otto Braeutigam, lasted about "twice as long" as expected. Braeutigam and Lambsdorff assessed this very positively. The topic of the 17 January Liebknecht/Luxemburg demonstration and its consequences alone took up "20 to 30 minutes," said Lambsdorff.

Fears that Western journalists' working conditions will be undermined in the wake of the harsh commentary against them in the SED paper NEUES DEUTSCHLAND have now apparently been set aside: "Herr Honecker assured me that there will be no changes in their working conditions," said the FDP politicians. "I came out of the talk with the impression that this will in fact be the case," he added.

Further Report

LD041423 Hamburg DPA in German
1321 GMT 4 Feb 88

[Text] East Berlin (DPA)—Following his talk with GDR state and party leader Erich Honecker, FDP Politician Otto Graf Lambsdorff does not expect a worsening of the present situation in connection with the wave of arrests on 17 January and the expected releases. Lambsdorff told the press afterward that Honecker gave no indications "either that people would be released or not released" during the meeting at the State Council building.

In general the SED chief however underlined a readiness for dialogue. Lambsdorff said he regards the behavior of those arrested during the Liebknecht-Luxembourg demonstration as "deliberate and premeditated disruptions," which broke the law. This is the first time that comments by Honecker on the subject have become known. The economics spokesman for the FDP Bundestag group gave a positive assessment of the fact that the talk lasted "twice as long as expected."

Lambsdorff said that Honecker mentioned that the church had tried to be helpful in the recent events. He had however referred to "peripheral groups" which had "little to do with the church," but "had a lot to do" with attempts at demonstrative actions.

Lambsdorff said he had made clear Bonn's position on the recent events, but had also given an assurance that the FRG Government did not want to "fan the flames." Honecker and the Bonn government are interested in maintaining relations between the two German states. Honecker had pointed "with satisfaction" to the expansion of visits by GDR citizens to the FRG. This new practice is to be continued in the current year.

The FDP politician also brought up the issue of the integration of West Berlin into intra-German relations and treaties. He said that he had—"without much prospect of success"—raised the question of the sought-after 2-day visit arrangement for West Berliners.

Lambsdorff, who will be in the GDR until Friday, met in the afternoon with representatives of the Evangelical Church directorate in Berlin-Brandenburg. The events since 17 January were also discussed at this meeting.

Meanwhile the lawyer Wolfgang Vogel, who in his capacity as representative for humanitarian matters helped to set in motion the releases brought about so far, refused any further comment on this issue. He merely told DPA: "This is no longer my brief. I would not like to say any more."

Holds Talks With Mittag

LD051252 East Berlin ADN International Service
in German 1002 GMT 5 Feb 88

[Text] Berlin, 5 Feb (ADN)—Guenter Mittag, member of the Politburo and secretary of the SED Central Committee, received Otto Graf Lambsdorff, member of the FDP Presidium economics spokesman of the FDP, for a conversation on Friday. In the conversation, which passed off in a businesslike and constructive atmosphere, reference was made to the importance of what was agreed in the joint communique on the official visit by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, to the FRG, in connection with relations between the GDR and the FRG.

Guenter Mittag stressed that the GDR accords the appropriate importance to the development of trade and economic relations between the GDR and the FRG in the spirit of the continuation of its policy directed at securing peace and objective cooperation on the basis of noninterference and mutual interests.

Otto Graf Lambsdorff stressed that these relations should be further developed to mutual advantage.

Taking part in the talk were: Gerhard Beil, GDR minister for foreign trade; Dr Hans Otto Braeutigam, head of the FRG permanent mission.

Prisoners Emigrate to FRG

LD051638 East Berlin ADN International Service in German 1503 GMT 5 Feb 88

[Text] Berlin, 5 Feb (ADN)—Ralf Hirsch and Wolfgang and Regina Templin, imprisoned for treasonable contacts, emigrated to the FRG on Friday in accordance with their requests and in agreement with the legal provisions of the GDR.

Bavarian, Health Official Discuss AIDS

LD052152 East Berlin ADN International Service in German 1849 GMT 5 Feb 88

[Text] Berlin, 5 Feb ADN—Dr Peter Gauweiler, state secretary of the Bavarian State Interior Ministry, today visited the medical department of Humboldt University, Berlin (Charite) accompanied by Professor Rudolf Mueller, GDR deputy health minister. The GDR and Bavarian delegations came to an understanding in principle on possibilities of cooperation in the area of HIV infection.

In a concluding round of talks, State Secretary Dr Gauweiler thanked Health Minister Prof Ludwig Mecklinger for the opportunity offered him to familiarize himself with the GDR's health service and with AIDS research in particular as well as the strategy for fighting the disease in the GDR. Dr Gauweiler expressed his recognition of the results achieved in this area. Both sides agreed to hold in the GDR in the near future a discussion among AIDS experts, which is to serve the further coordination and specification of the form and content of cooperation between the GDR and Bavaria.

Sign Agreement on Research

LD051455 Hamburg DPA in German 1252 GMT 5 Feb 88

[Text] East Berlin (DPA)—The GDR and Bavaria have achieved an agreement on cooperation in research into and prevention of AIDS, the immune deficiency. This was announced to the press in East Berlin today by Peter Gauweiler, Munich's interior state secretary, after talks with GDR Health Minister Ludwig Mecklinger.

Among other matters, the agreement concerns the exchange of research and treatment results, regular scientific contacts, and mutual work visits by experts. Gauweiler was accompanied on his 2-day visit by a top-ranking group of AIDS experts from Bavaria. The agreement, scheduled for signing by the end of this month, also goes back to talks between GDR party and state leader Erich Honecker and Minister-President Franz-Josef Strauss in early 1987.

East Berlin and Munich agreed in the call for an international convention against AIDS with checks on crossborder traffic. Gauweiler, who also visited the Charite hospital with his delegation and spoke with Professor Niels Soennichsen, the GDR's anti-AIDS coordinator, referred to the notification requirement for AIDS in the GDR and travel regulations among some socialist countries.

For example, according to these regulations, citizens of the GDR and the Soviet Union who stay in the other country for more than 3 months have to present a certificate showing that the person entering is free from transmittable diseases, including AIDS.

Gauweiler does not assess the latest agreement as unilateral action on the part of one federal land. It was made under the aegis of the cultural and scientific agreements between the FRG and the GDR.

Felfe Receives FRG Farmers' Delegation

LD022114 East Berlin ADN International Service in German 1704 GMT 2 Feb 88

[Text] Berlin, 2 Feb (ADN)—A delegation from the Presidium of the FRG's German Farmers' Association led by its President, Constantin Freiherr Heereman, has been in the GDR capital at the invitation of the Central Executive of the Peasants' Mutual Aid Association [VDGB].

The delegation was received for a talk by Werner Felfe, Politburo member and secretary of the SED Central Committee. It was attended by chairman of the VDGB Presidium Fritz Dallmann.

The talk, which proceeded in a constructive and businesslike atmosphere, centered on an exchange of views on current problems related to the preservation of peace and the development of normal, good-neighborly relations between the GDR and the FRG. The two sides concurred in praising the signing of the treaty between the USSR and the United States on the elimination of nuclear intermediate- and shorter-range missiles as a historically important step. The obligation of the two sides to do everything to ensure that war will never emanate from German soil, but rather only peace, was underlined.

The joint communique agreed during the official visit by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, clearly underlined the special responsibility of the two German states for the continuation of the disarmament process. They should continue to make a constructive contribution to a climate of detente in future. It was noted in agreement that the peace commitment of farmers in the two German states is of great importance, since sowing and harvesting are possible only in conditions of peace.

The two sides both noted that the results of the official visit to the FRG by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR

State Council, open up fresh possibilities for the deepening of relations between the VDGB and the German Farmers' Association of the FRG. Proceeding from experiences made in cooperation so far they expressed the desire to continue the political dialogue. Trusting cooperation however presupposed strict noninterference in the internal affairs of the GDR.

The exchange of experiences should be continued, and the exchange of agricultural trainees between the GDR and FRG should continue to be promoted.

Werner Felfe informed the guests about the SED's successful agricultural and alliance policy and stressed that cooperation between the GDR and the FRG in agriculture has developed to mutual benefit. In this connection he praised the commendable joint work of the VDGB and the FRG's German Farmers' Association.

A meeting took place earlier between the delegation from the Presidium of the German Farmers' Association of the FRG and a delegation from the VDGB Central Executive. In it, the chairman of the Central Executive, Fritz Dallmann, praised the steady development of relations between the two organizations. The two sides regard this as an important contribution to peace preservation and the further normalization of relations between the GDR and FRG.

Poland's Sadowski Pays Official Visit

Talks With Krolokowski

LD032016 East Berlin ADN International Service in German 1832 GMT 3 Feb 88

[Text] Berlin, 3 Feb (ADN)—In Berlin on Wednesday, GDR First Deputy Premier Werner Krolikowski, member of the SED Central Committee Politburo, and Zdzislaw Sadowski, Polish vice premier and chairman of the Polish Planning Commission, expressed their satisfaction about the successful development of relations between the GDR and Poland. In particular they stressed the dynamic development of economic relations.

Above all, through the purposeful implementation of the long-term program of development of cooperation between the GDR and Poland in science, technology, and production for the period up to the year 2000, opportunities for the division of labor and cooperation would continually grow. The improvement of the efficiency of the economies of both countries was of great importance for the strengthening of the positions of socialism and the effectiveness of peace policy.

Werner Krolikowski and Zdzislaw Sadowski stressed that, with the conclusion of the treaty on the liquidation of nuclear intermediate-range missiles, good conditions have been created to further advance the process of nuclear disarmament. Together with the allied states and through their own initiatives, the GDR and Poland will do all they can to secure peace on a lasting basis.

The guest was in the GDR for discussion between the chairmen of the central planning bodies of both countries.

Received by Schuerer

AU051230 East Berlin NEUES DEUTSCHLAND in German 4 Feb 88 p 3

[Text] East Berlin (ADN)—The strengthening of economic cooperation between the GDR and PPR was at the center of a talk between Gerhard Schuerer, deputy chairman of the Council of Ministers and chairman of the State Planning Commission, and Zdzislaw Sadowski, deputy chairman of the Council of Ministers and chairman of the Planning Commission attached to the PPR Council of Ministers, in East Berlin on Wednesday [3 January]. The interlocutors allowed themselves to be guided by the principle agreements between the highest representatives of both states.

Gerhard Schuerer and Zdzislaw Sadowski discussed the implementation of the protocol on the coordination of the national economic plans between the GDR and PPR for the 1986-90 period. According to their assessment the stipulated tasks are being purposefully fulfilled. This has been demonstrated by the dynamic development of goods exchange in the first 2 years of the current 5-year plan.

Regarding the further expansion of labor division and cooperation, it is primarily a question of obtaining high economic efficiency in the sphere of science and technology, so as to ensure the required increase in efficiency and quality in production.

The meeting was attended by Janusz Obodowski, PPR ambassador to the GDR.

Krowlikowski Receives Danish Official

LD020026 East Berlin ADN International Service in German 1738 GMT 1 Feb 88

[Text] Berlin 1 Feb (ADN)—Dr Herbert Krolikowski, GDR state secretary and first deputy foreign minister, had a friendly talk today with the chairman of the Danish Parliament, Svend Jakobsen, on current bilateral and international issues. The partners in the talk stressed that mutual relations are continually developing in a spirit of good-neighborliness. Political dialogue and cooperation has reached a considerable level and are conducted in a manner that is exemplary for the practical implementation of peaceful coexistence. The two sides agreed that safeguarding peace is the current priority task. The results of the Soviet-U.S. summit in Washington will encourage further substantive disarmament steps.

Dr Krolikowski explained the GDR's multifarious efforts to support disarmament and to collaborate constructively in placing peace and flourishing cooperation between states on a more stable foundation. The chance which is now offered of halting the arms race and reversing it should not be subjected to the strain of new advances or counterarming.

Dr Krolikowski expressed his appreciation of the efforts in the north European states to contribute to stabilizing peace with their own initiatives. In this connection he recalled the constructive attitude of the Warsaw Pact states and the steps and initiatives they have undertaken aimed at promoting security and cooperation in the north of the continent. Now it is also a matter of making quicker progress in the negotiations at the Vienna meeting in order to achieve a substantive final document on all sections of the Final Act. Active commitment by people's representatives is of great importance for further consolidating the process of detente on the continent and strengthening trust and cooperation.

Security Discussed

LD032104 East Berlin ADN International Service in German 1717 GMT 3 Feb 88

[Excerpt] Berlin, 3 Feb (ADN)—The good cooperation between the GDR and Danish parliaments is an expression of gratifying goodneighborliness and the vitality of the policy of peaceful coexistence. The active political dialogue between the responsible representatives of the two states could strengthen understanding and trust. This was noted in Berlin today by Werner Krolikowski, GDR first vice-premier and SED Politburo member, and Svend Jakobsen, chairman of the Danish Folketing.

The two welcomed the elimination of nuclear intermediate- and shorter-range missiles, which must make possible further effective disarmament steps. The positive reaction in Denmark to the results of the Washington summit meeting and similar or identical views on questions related to the disarmament process, Werner Krolikowski said, increase hopes that the vicious circle of the arms race will finally be broken. The first disarmament agreement must be followed by further disarmament steps which, as set out in the Warsaw Pact states' peace program, do not stop at the limitation of nuclear and conventional armaments but which result in their reduction and more security with fewer weapons.

The cause of joint security would be best served if cooperation of states with different social systems resulted in reason and realism becoming the paramount rule of international relations. National leaders have a responsibility to develop relations and political dialogue in the spirit of goodneighborliness and thus to contribute to further detente in Europe. Especially in the present situation, which despite encouraging signs is still giving cause for concern, goodneighborliness should become the firm norm for the life of the European peoples. Hence joint action by both countries is of growing importance for the safeguarding of peace.

The two politicians agreed that in bilateral relations much has been achieved that must be conscientiously nurtured and developed for the benefit of both peoples and for European stability. [passage omitted]

'Arafat Urges International Mideast Conference

LD081049 East Berlin ADN International Service in German 0301 GMT 8 Feb 88

[Text] Berlin, 8 Feb (ADN)—"The Israelis must withdraw from the occupied territories, and the right of the Palestinian people to their own state must be realized. Israel and the United States are, however, trying everything to prevent this", said PLO Chairman Yasir 'Arafat in an interview with JUNGE WELT, published Monday.

"This is why we now once again appeal to the UN Security Council with the plea: guarantee international protection for the Palestinian people; ensure international supervision of the withdrawal of the Israeli occupying force; convene an international Near East conference under patronage of the United Nations. All permanent members of the Security Council should take part in this conference, as well as the parties to the conflict, including the PLO, as the sole legitimate representative of the Palestinian people." The Palestinian state, 'Arafat said, would "be set up on every piece of land freed from occupation." It is, however, still too early to discuss the form of government. "In any event it will be a democratic state with a democratically elected government."

Honecker Greets Tunis Friendship Meeting

AU011603 East Berlin NEUES DEUTSCHLAND in German 30-31 Jan 88 p 2

[ND report: "Greetings to Tunisian and GDR Youth Associations; From Erich Honecker to the Friendship Meeting in Tunis"]

[Text] East Berlin (ND)—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, has sent the following greetings message to the participants of the Days of Friendship between the Youth of the Republic of Tunisia and the GDR, which will open in Tunis on Sunday [31 January]:

Dear friends of the Socialist Destourian Youth, dear FDJ members: On behalf of the SED Central Committee and the GDR State Council, I convey cordial greetings to the participants of the Days of Friendship between the youth of the Republic of Tunisia and the GDR.

Your Days of Friendship are an important event in the lives of our two peoples and their young people. We are convinced that strong impulses will emanate for the further development of friendly relations between the FDJ and the Socialist Destourian Youth of Tunisia. In this way both youth associations contribute to further expanding relations between the GDR and the Republic of Tunisia and useful and mutually advantageous cooperation, which are based on the principles of peaceful coexistence.

The young people of our countries are meeting at a time that is encouraging for mankind and gives rise to fresh hopes for a peaceful future. The treaty between the USSR and the United States on the elimination of their intermediate-range and shorter-range nuclear missiles was a first step toward liberating the world from nuclear weapons. Your friendship meeting will reaffirm the resolve of the young people in our countries to use all their strength for a broad breakthrough in all spheres of disarmament, for security and constructive cooperation, and for peaceful prospects for today's and future generations. It demonstrates the concurrence of our views regarding a just and lasting solution to the Middle East conflict and the convening of an international peace conference with the participation of all interested sides. You are linked by the joint effort to liberate the African Continent from the scourge of colonialism, neocolonialism, and racism, and to bring about a global and just solution to the international economic problems.

We are certain that the Days of Friendship are an important contribution by the youth in the GDR and the Republic of Tunisia to preparing the 13th International Youth and Students Festival in Pyongyang in 1989 through the joint struggle for peace, friendship, and anti-imperialist solidarity.

We wish the Days of Friendship between the young of the Republic of Tunisia and the GDR much success and unforgettable experiences and impressions to the participants of the friendship meeting and their hosts.

Friendship!

E. Honecker

Berlin, 31 January 1988

Honecker Promotes Generals on Anniversary

LD021451 East Berlin ADN International Service in German 1410 GMT 2 Feb 88

[Text] Berlin 2 Feb 88 (ADN)—To mark the forthcoming 38th anniversary of the founding of the ministry for state security, meritorious generals and colonels of the Ministry for State Security were promoted or appointed to the rank of major-general by Erich Honecker, general secretary of the SED Central Committee, chairman of the GDR Council of State, and chairman of the National Defense Committee.

Present were Egon Krenz, Politburo member and secretary of the SED Central Committee: Army General Erich Mielke, SED Central Committee Politburo member and minister for state security: Colonel General Fritz Streletz, secretary of the GDR National Defense Council: and Wolfgang Herger, director of the Security Department of the SED Central Committee.

Krenz Addresses Civil Defense Gathering

LD051842 East Berlin ADN International Service in German 1515 GMT 5 Feb 88

[Text] Berlin, 5 Feb (ADN)—A festive event was held in Berlin today by the Ministry of National Defense to mark the 30th anniversary of the Civil Defense. The greetings and thanks of the SED Central Committee and its general secretary, Erich Honecker, chairman of the State Council and of the National Defense Council of the GDR were passed on by Egon Krenz, member of the Politburo and secretary of the SED Central Committee. On behalf of Erich Honecker he presented the Karl Marx Order to the Civil Defense in recognition of its extraordinary merit in protecting the people and the economy of the GDR. It was a tribute to the loyal and self-sacrificing service of Civil Defense members and voluntary helpers.

The event was attended, among others, by SED Central Committe Politburo members General Keinz Kessler, minister of National Defense, Egon Krenz, and Alfred Neumann, first deputy premier.

The main speech was given by General Kessler. Under the leadership of the working class, in industrious cooperation with all the social forces united in the National Front, the Civil Defense has been strengthened and had contributed to the protection of life and the social prosperity of the people. Today it is working successfully in the fulfillment of the resolutions of the 11th SED Party Congress, he stressed. Together with all the social forces of the GDR, and in close collaboration with the fraternal bodies in the Soviet Union, the PPR, the CSSR, and the other socalist states, it has always made a worthy contribution to the all-round strengthening of socialism and the securing of peace.

The speaker said the main task of the Civil Defense was to ensure the preventative protection of the people and the economy from catastrophes and serious accidents, as well as the removal and limitation of the consequences of all destructive events. General Kessler expressed the conviction that the members and voluntary helpers will continue to fulfill their humanist responsibility "to protect and help." Lieutenant General Fritz Peter, head of the GDR Civil Defense, said on its behalf that it would spare no exertion of effort to increase protection against disasters and accidents and the readiness of the detachments and formations to take action.

The SED and the people of the GDR can rely on the Civil Defense at all times, says the declaration of intent from the Civil Defense to the general secretary of the SED Central Committee.

Historian Lauds Bukharin Rehabilitation

LD062030 Budapest Television Service in Hungarian 1830 GMT 6 Feb 88

[Excerpts] [Announcer] The Lenin portrait you see here may not perhaps be artistically flawless, but politically it is highly interesting. Its creator is the same Nikolay Ivanovich Bukharin whose rehabilitation was reported from Moscow yesterday. Our guest in the studio is historian Miklos Kun, a specialist on that period. [passage omitted]

You have brought into the studio a thick book, the complete material on Bukharin's trial, and not just the Bukharin trial. What was his crime, what was the charge?

[Kun] In 1929-30, Bukharin suffered political defeat. He succumbed to Stalin, who decimated the party and physically liquidated the vanguard of the October Revolution. He had to repent, was forced onto his knees. By 1937 the atmosphere had become so dense around him that he was dragged away from a Central Committee session. He spent nearly a year in prison. It is exactly 50 years ago that one of the most shameful trials, the so-called Bukharin trial, opened in the Hall of Columns of trade unions in Moscow. At this trial, Bukharin was accused of treason, spying, of being a Japanese, Polish, German, and British agent all at the same time; that he had established, in collaboration with that satanic force, Trotskiy, who was working somewhere abroad, a right-wing-Trotskiyite bloc and was striving to humiliate the USSR and overthrow socialist power.

The verdict of the trial is common knowledge: Bukharin was executed along with numerous others.

[Announcer] Has there never been even an attempt to rehabilitate him since then?

[Kun] No. In 1956, after the 20th congress, it became clear that the situation was untenable. There were still many old party members alive who continued to regard Bukharin as the party's favorite. They bombarded the Central Committee with submissions. Yelena Stasova, the former party secretary, also wrote a letter, as did Bukharin's widow when she returned from exile. In 1962 Bukharin was described as innocent for the first time, but his rehabilitation did not take place.

In the years of stagnation, in the Brezhnev era, things went just so far, and so fierce were the renewed attacks in the press against Bukharin that his son, Yuriy Larin, the noted painter, turned to the Italian Party asking that the international workers' movement at least respect his father's name and memory.

[Announcer] Can we expect this process, whose very important milestone has now been reported from Moscow, to continue?

[Kun] This happy news is a very big step in the democratization process, in that at last the truth is told about Stalin, about the Stalinist crimes, that the era of half-truths is over. I believe that this just judgment will also be pronounced on Zinovyev, Kamenev, and other outstanding members of Lenin's generation.

Hungarian Minority in Romania Described

AU031337 [Editorial Report] Budapest MAGYAR HIRLAP supplement in Hungarian on 30 January on pages 1-4 carries a 4,500-word article by Ferenc L. Gazso under the headline: "Transylvania: The Largest Minority." Part of a series of articles on the life of Hungarian minorities abroad currently being carried by the paper in its supplement and introduced under the general headline: "To Be Hungarian Abroad," the article describes the life of the Hungarian minority in the Transylvania region of Romania.

Presented in the form of a travel report in colloquial style, the author describes the various towns and villages he visits and which are inhabited by large Hungarian ethnic minorities. His description covers all aspects of daily life, the cultural heritage of the Hungarian people, and the history and tradition of the various towns and villages in the area. Throughout, Gazso presents the difficult economic situation prevailing in Romania as a whole and its consequences for the Hungarian minority in Transylvania as well.

While he does not claim that the economic hardships affect the Hungarian minority more than the Romanian population, Gazso does deplore the significant cultural and artistic hardship suffered by the Hungarian minority; he deplores the dwindling possibilities for the Hungarian minority to receive education in their mother tongue, as many schools have stopped Hungarian classes. Gazso describes the large-scale influx of Romanians into Transylvania, as a result of which "the urban population in Transylvania has increased by almost 1 million in the last 25 years" and the majority of the newcomers, "at least 80 percent," are Romanians from beyond the Carpathians who "are assisted by the state with grants amounting to 10,000-30,000 lei". The restrictions in job allocations after graduation mean that many Hungarian graduates are sent to work in the distant regions inhabited only by Romanians while many Romanian graduates are sent to work in Transylvania, including elementary school teachers who do not know Hungarian and thus, "instruction does not adjust to the pupils' mother tongue but to that of the teacher."

Gazso mentions the precarious state of Hungarian-language theater departments and cultural institutions because of severe budget restrictions, the frequent change to Romanian of street names commemorating Hungarian figures, and the dwindling number of candidates for Hungarian-language university courses (in the few places still available). In a separate table, Gazso describes the situation concerning the Hungarian language publications, radio and television programs, and other cultural institutions catering to the Hungarian minority. Gazso mentions the dailies that appear in Hungarian and says that "their number decreased by 30-40 percent between 1975-1980 and their prices increased by 100-150 percent, double the price increase in all the press publications." Gazso notes that no Hungarian language program is broadcast by the Romanian television, a service which "was discontinued at the end of 1984 for technical reasons" and that the Bucharest radio broadcasts only 1-2 hours a day in Hungarian.

The article contains numerous references to famous Hungarian intellectuals, artists, freedom fighters, writers who came from Transylvania.

During his description of various towns and villages with Hungarian minorities, Gazso mentions Brasov and the fact that there were disturbances there recently, "according to AGERPRES." In addition, he quotes unnamed sources saying that "the people demonstrated on the streets for 6 hours" and that "two policemen lost their lives in the course of the street battles." Gazso also says that "several hundreds of university students demonstrated in Timisoara, leaflets were dropped in Cluj-Napoca, and gasoline-filled tires were burnt in the center of Bucharest."

Catholic Conscientious Objector Jailed

AU061537 Paris AFP in English
1504 GMT 6 Feb 88

[Text] Vienna, Feb 6 (AFP)—A Hungarian military court has slapped a two-and-half year jail term on a conscientious objector who refused to do military service, a dissident said from Budapest on Saturday.

Twenty-year-old Roman Catholic Istvan Lukacs from Sopron, western Hungary, was convicted to a three-year term in December, but he appealed the sentence, dissident writer Miklos Haraszti told AFP.

The new ruling was handed down Friday by the Supreme Military Court.

Five other Catholic conscientious objectors have been serving terms of between two and three years at the Baracska prison near Budapest since last year.

Conscientious objection is legal in Hungary for some religious sects—including Jehovah's Witnesses—which ban military service, but not for Roman Catholics.

Statistical Office Reports on 1987 Economy

AU052105 Budapest NEPSZABADSAG in Hungarian
30 Jan 88 p 5, 6

[Report by the Central Statistical Office: "On the Development of the Hungarian Economy and Society in 1987"]

[Text] There was a modest improvement in the economic processes in 1987, which, in terms of accomplishing the main goals, was smaller than planned. In 1987 the state of the foreign balance of the people's economy developed more favorably than in 1986, but the improvement did not reach the stipulated level. Economic growth accelerated. The greater part of the growth in production contributed to domestic consumption rather than exports. Minor changes occurred in the structure of production and of exports; the extent and occasionally the direction of these changes did not satisfy balance and efficiency requirements. The greater part of the economy's surplus income resulted from price increases.

The ruble-accounted balance of payments showed a surplus, and the net debts here decreased. The net debts accounted in convertible currency increased further. The increase in debts was slower than in 1986. That is, the balance of payment deficit decreased. This partly resulted from a lower surplus of imports in the foreign trade turnover and partly from a higher surplus income from tourism. The burdens of loan repayment—interest and principal—somewhat decreased. The revenues of the state budget increased more than its expenditures and the deficit was smaller than planned and also smaller than in 1986; the regulations issued in the course of 1987 also had a part in this process.

The gross domestic product, which indicates the performance of the material and nonmaterial sectors, rose by 2.5-3 percent, and according to preliminary estimates, its value amounted to about 1,200 billion forints. National income, which reflects financial activity, increased by 2-2.5 percent. Instead of the stipulated decrease, the quantity of domestic products and services increased by about 2 percent. More money was spent on consumption and investment than in 1986, while there was no increase in the quantity of inventories [keszletek]. Purchases of industrial products, which increased in the second half of 1987, contributed to the increase in consumption. The willingness of the population to save decreased. The value of domestic consumption exceeded the value of production. The surplus in imports to the people's economy amounted to 6 billion forints, as opposed to 15 billion forints in 1986.

The performance of the sectors and economic organizations became further differentiated. The activities of the smaller producer and services units, and particularly of the cooperatives and private entrepreneurs were more lively than the average also on the basis of the size of the staff and performance.

The acceleration in investments that began in 1986 continued. Investments in the people's economy amounted to 291 billion forints, which at current prices amounted to 12 percent, and at comparable prices to 6 percent more than in 1986. Within this amount, investments in enterprises increased by 18 billion forints, which amounts to an increase of 14 percent. The economic organizations' own increasing resources made the surplus payments possible. The proportion of state subsidies among the financial resources dropped, whereas the proportion of investment loans increased somewhat. The amount of money allocated for central and local council investments also increased considerably, by 6 and 4 billion forints respectively. Population and private sector investments amounted to about 56 billion forints, which is more in value but less in volume than these investments in 1986.

The value of the operative investments increased more slowly than financial performance; the amount of incomplete investments is larger than it was at the end of 1986. The amount of fixed assets of the people's economy in the material sectors increased more rapidly than in production.

The county councils contributed to developing economically disadvantageous areas primarily by creating new jobs. The councils financed their investments from the fund established for this purpose and from other sources at their disposal.

The number of active wage earners decreased within 1 year by 18,000, that is, by 0.4 percent, and at the end of 1987 amounted to 4,867,000 people; they comprised 45.9 percent of the population. The number of active wage earners decreased by 36,000 in the socialist sector and increased by 18,000 in the private sector; the proportion of this latter category among active wage earners rose from 5.4 to 5.8 percent.

As compared to the previous year, the number of people employed at the end of 1987 in the material sectors decreased by 55,000, or 1.4 percent, and the number of people employed in the nonmaterial sectors increased by 37,000, or 3.6 percent. The staff employed in industry, building industry, agriculture, and in forestry decreased. The number of pensioners and home workers employed by industry decreased more quickly than the number of full-time employees. Staff reduction in the construction industry occurred at construction industry enterprises of the state, whereas the staff of construction cooperatives increased.

In agriculture and forestry, primarily the staff of the cooperative units decreased. This reduction was characteristic of people employed both in the basic activities and also outside them. The number of active wage earners in transportation and trade increased in the private sector, decreased in the socialist sector, and in its entirety their number was higher than in 1986. Approximately two thirds of the increase in staff within the nonmaterial sectors affected the number of people employed in health and cultural services.

The employment situation was characterized by the fact that in the economy as a whole there were more vacancies than people looking for employment; at the same time, there was an increase in the number of people for whom finding a job required a longer period of time in certain areas of Hungary, particularly in the northeast, and also among unskilled labor.

Following several years' stagnation, efficiency in the material sectors improved in 1987. Investments in live labor decreased and work productivity increased by about 4 percent. The deterioration in asset efficiency continued. Material consumption per unit of production decreased in several areas; because of the unfavorable change in the structure of production, however, material consumption per unit of production did not improve on the whole.

Energy consumption in the people's economy increased by 2.2 percent in such a way that the increase in the material sectors amounted to 0.7 percent and in the private sphere and public utility sphere together to 4.7 percent. Energy consumption per unit of production in the material sectors dropped by 1.5-2 percent. Within the area of energy resources, the proportion of domestic production increased and of imports decreased: Some 51 percent of the available energy originated from domestic sources and 49 percent from imported sources.

The total income of the people's economy increased more quickly than in 1986, by 10-11 percent at current prices. The increase in the amount of production and in prices contributed equally to this increase. As in 1986, about 25 percent of the increase in incomes resulted from an increase in volume, and about 75 percent from price increases. Among the main components of income, the increase in enterprise profits was the quickest. The financial situation of the enterprises was more favorable than in 1986.

Industry [subhead]

Industrial production increased by 3.7 percent, more quickly than in 1986. The production of industrial state enterprises increased by 3.2 percent, and of industrial state cooperatives by 9.9 percent. Private small-scale industrial activities increased more than the average. The industrial activities of the nonindustrial organizations increased relatively slowly. In the course of 1987, 345 new economic units were established, mostly in the cooperative sector, and 22 units were discontinued. The number of mixed enterprises with foreign interests rose from 24 to 59. The number of enterprise workers business partnerships continued to increase. The number of small-scale artisans also increased.

The production of energy producing and converting branches increased by 3.8 percent, the production of basic material producing branches increased by 3.1 percent, and the production of the processing industry increased by 3.7 percent. The production of the building materials and chemical industries increased most, by 6.9 and 6.2 percent respectively. The production of the engineering industry increased by an average rate of 3.8 percent.

Exports of industrial products increased by 5 percent, mainly as a result of an increase in exports accounted in convertible currency. The chemical, light, and food industry enterprises in particular increased their exports accounted in convertible currency. Despite a planned increase, engineering exports accounted in convertible currency did not increase. The foreign currency production indicator of the chemical industry improved, mainly due to price increases; the same indicator for the engineering industry became worse, although it still produced foreign currency better than any other export oriented industrial sector.

Within industrial sales, the proportion of domestic sales increased primarily because of the procurement at the end of the year. The quantity of products sold to the population increased by 3.6 percent; within this, the quantity of building material industry products increased by 13.8 percent, chemical industry products by 8.5 percent, and engineering industry products by 8 percent. Advanced population demands contributed to this increase; and in the case of the engineering industry, the fact that—because of the difficulties in exports accounted in convertible currency—enterprises preferred to produce for the less demanding domestic market which ensured sufficient profits also contributed to the increase in sales. Industrial sales for investment purposes increased by 5.6 percent and for production purposes by 3.3 percent.

The prices of industrial domestic sales were 3.7 percent higher than in 1986. The prices of goods for wholesale and retail trade increased by almost 6 percent.

The number of people employed in industry decreased more than in previous years, by 2.5 percent. Except for the electricity and food industries, this decrease was an overall phenomenon.

Energy supplies to industry were continuous and adequate. Throughout almost the whole year, there were tensions in the supplies of materials, particularly in the case of certain chemical industry materials.

Enterprise results and profitability increased. The extra results are related to expenditures which increased a little more slowly than the increase in production, to selling prices which were higher than in the previous year, and to budgetary subsidies.

Construction Industry [subhead]

The volume of national construction and assembly activities increased by 2-3 percent. The volume of construction activities by state construction industry enterprises and of organizations outside the construction industry was close to the volume of 1986; the construction volume of the construction industry cooperatives was 30 percent, and of private construction activities 2 percent higher than in 1986. Construction industry organizations began constructing more buildings in 1987 than in 1986. Demand for construction accelerated.

Within construction activities, the proportion of maintenance activities as opposed to investment activities increased. The fact that the number of rejected construction projects was lower than 1 percent reflects an improvement in the relations between supply and demand.

The number of apartments completed in 1987 was 57,200, which is 17-18 percent less than in 1986. Some 13.7 percent of the apartments were built by the state; the rest were built privately, in many cases by taking construction loans. Compared to 1986, the number of apartments built by the state increased somewhat and the number of privately built apartments decreased by 12,500. In 1987, 1,700 more rest houses were built than in 1986; this amounts to an increase of 50 percent.

Agriculture, Forestry [subhead]

Compared to the planned growth, the gross production of agricultural products lagged somewhat behind production in 1986, mainly because of unfavorable weather conditions. Plant cultivation dropped by approximately 4 percent and animal husbandry increased by about 1 percent.

Some 14.1 million tonnes of cereals were produced in 1987, which is approximately the same as cereal production in 1986. Some 5.7 million tonnes of wheat and 7.2 million tonnes of corn were harvested. The average wheat yield was basically the same as 1986, whereas the average corn yield was smaller. Because of drought, the yield on a part of the corn fields could only be sold after having been ensilaged.

Some 4.2 million tonnes of sugar beet were harvested, an increase of 12.4 percent over 1986. The sugar content of the beet was higher than in 1986. Some 790,000 tonnes of sunflower seed were produced, 8 percent less than the good crops in 1986. Among oil seeds, soybean crops, which are still produced in small quantity, exceeded the 1986 crops by over 30 percent.

Some 2 million tonnes of different vegetables were produced, which is 3.6 percent more than in 1986. Potato production decreased by 220,000 tonnes, or 17 percent. In 1987, 1.5 million tonnes of fruit were produced, about 16 percent less than the good harvest of 1986. In addition to apples, yields of pears, apricots, and peaches were also poor. Some 505,000 tonnes of grapes, or 25 percent less than in 1986, were harvested. The frost damaged some vines, primarily the higher-growing varieties.

On 31 December 1987, the economic units' stock of animals was smaller than a year earlier. The stock of pigs amounted to 8.2 million, 5.4 percent less than at the beginning of the year. Within this, there was a drop of 3.9 percent in the number of hogs.

The stock of cattle decreased by 3.5 percent within 1 year, dropping to 1,664,000. Within the stock of cows, there was an increase in the proportion of milk-producing types. The number of sheep on 31 December 1987 amounted to 2.3 million, which is basically similar to the number at the beginning of the year.

There was an increase of over 3 percent in the production of slaughter animals, which amounted to 2.3 million tonnes. There was an increase in the production of slaughter pigs and slaughter poultry; production of cattle for slaughter was basically similar to the 1986 level; and there was a decrease in the production of sheep for slaughter. Among the more significant animal products, the agricultural units produced somewhat more milk and fewer chicken eggs than in 1986 and the same amount of wool as in 1986.

There was an increase of about 4 percent in the agricultural enterprises' activities carried out in addition to their basic activities; as a result, the gross performance of the agricultural sector somewhat exceeded that of 1986.

The net timber production of the forestry sector amounted to 6.9 million cubic meters, which comes close to timber production in 1986. Within this, there was no change in the proportion between timber for industry and timber for firewood. Forest plantation and afforestation work was carried out on 7,700 hectares, and reforestation activities on 22,000 hectares.

Production Infrastructure [subhead]

In the course of 1987, transportation enterprises and cooperatives shipped a 6.3 percent lower volume of goods than in 1986 while their performance in terms of tonnes per kilometer increased by 4.2 percent. This result was primarily facilitated by the increase in our international shipping—mainly of import and export related transportation—on the high seas. The performance of pipeline transportation and public road and urban transportation also increased; the performance of railroad transportation decreased.

The public used long-distance passenger transportation on 876 million occasions; this figure is 1.3 percent smaller than it was in 1986. Performance in terms of passengers per kilometer somewhat exceeded the figure for 1986. Within this, there was a decrease in the performance of bus transportation in terms of passengers per kilometer; the performance of railroad transportation increased slightly, and of air transportation considerably. The number of people transported by local means of mass transportation was 1 percent higher than in 1986.

In the course of 1987, 70 kilometers of railroad lines were electrified. The proportion of electrified railways increased from 23.9 to 24.8 percent; some 60 percent of the overall haulage is carried on these railways. At the end of 1987, 36 percent of the railroads were equipped with modern safety installations; this proportion is hardly higher than in 1986.

In the course of 1987, 140,000 new private vehicles were sold, 22,000 more than in 1986. The marketed quantity was not sufficient to satisfy the demand and cause a significant improvement in the age composition of the vehicles. The stock of private vehicles at the end of 1987 amounted to 1,600,000, and the average age exceeded 9 years.

The development of the telephone network, which was accompanied by reconstruction, continued with the inclusion of population and enterprise sources. In the course of 1987, 43,000 new main hook ups were connected to the network, of which 31,400 are telephone hookups in apartments. The number of apartment telephones per 1,000 people increased from 49.4 to 52.4. As of the end of 1987, smaller communities in several places have been able to receive European satellite television programs.

At the end of 1987 there were 55,400 stores and catering facilities in the state and cooperative retail trade. The number of stores was higher and the number of catering facilities lower than in the previous year. The number of private retailers and caterers increased by about 2,000, to about 31,000. About 16,000 units in the socialist sector's network and a significant number from among the 156,000 small-scale artisans provided repair, maintenance, and other consumer services.

Compared to 1986, the capacity of public utility facilities that supply water increased by about 3 percent, and that of public utility facilities for sewage purification by 4 percent. The proportion of the total population supplied with public utility drinking water exceeded 86 percent. Almost 49 percent of the total population live in areas equipped with sewage drains. The construction of the main flood protection lines with the planned dimensions was continued.

Foreign Trade [subhead]

The role of foreign trade in the economy further increased. The value of the exported goods amounted to 450 billion forints, an increase of 7 percent over the 1986 figure. The value of imports increased by 5 percent and amounted to 463 billion forints.

Some 63 percent of the expenditures on imports were to purchase energy and material products. This proportion was similar in 1986. Compared to 1986, the amount of material and energy imports increased by 2 percent.

The volume of imports of finished industrial products, which amounts to almost 30 percent of the entire imports, was 6 percent larger than in 1986. The increase in the imports of agricultural and food industry products also amounted to 6 percent.

About 35 percent of the income from exports for 1987 was produced by marketing material products and energy sources; the volume of their exports increased by about 7 percent. Mainly, there was an increase in exports of metallurgical and chemical industry materials. The proportion of finished industrial products in the overall exports decreased to 45 percent. Exports of machinery for investment increased only slightly. Exports of consumer industry goods increased by 5 percent. Exports of light and machine industry consumer goods increased in particular. Food industry products provided one-fifth of the export incomes, and the quantity of these products was similar to 1986.

The volume of imports accounted in rubles increased by almost 4 percent, and of exports accounted in rubles by 2.5 percent. There was a significant increase in imports of finished industrial products, and the amount of imported energy and material products was somewhat larger than in 1986. Increasing exports of finished industrial products, including increasing exports of machinery for investment purposes, also played a primary role in the increase in ruble accounted exports. The continuous deterioration of the terms of trade indicator which expresses the changes in import and export prices in terms of their relations to each other, a deterioration that has been going on for years, stopped in 1987; compared to 1986, a 3 percent improvement in the terms of trade developed.

The volume of imports accounted in convertible currency increased by 2.6 percent, the volume of exports by 5 percent. The increase in exports took place under unfavorable structural conditions. Primarily, there was a surplus in terms of material products. Among the finished industrial products, there was a considerable increase in exports of industrial consumer goods and a decrease in exports of machinery for investment purposes. With the exception of industrial consumer goods, imports in every main category of goods exceeded the 1986 level. Imports developed unevenly during the year; the decrease in the first to third quarters was followed by a sharp increase in the fourth quarter of 1987. The terms of trade did not deteriorate in this non-ruble-accounted context but, compared to the very unfavorable 1986 level, no improvement emerged, either.

The foreign trade balance for 1987 is considerable, although it presents a smaller surplus in imports than the 1986 surplus. Instead of the stipulated surplus in the turnover accounted in convertible currency, a deficit developed. This deficit is smaller than in 1986: Taking actual shipping prices into account, it amounts to $361 million. The ruble-accounted turnover closed with a surplus of 141 million rubles.

Tourism [subhead]

The year 1987 provided significant results in international tourism. In the course of the year, 19 million foreigners—more than ever—visited Hungary. Among them, 12 million were tourists and 7 million were short-term visitors and transit passengers. The number of tourists increased by 11 percent, and the period of time they spent in Hungary increased by 10 percent. The number of nights spent by foreign visitors at hotels was 19 percent, and at other commercial accommodation facilities it was 14 percent higher than in 1986.

Some 60 percent of the foreigners visiting Hungary came from socialist countries, and their number exceeded the 1986 figure by 4 percent. Foreign currency incomes calculated in rubles increased by 14 percent. There were 5.7 million trips by Hungarian citizens to socialist countries, an increase of 19 percent over the 1986 figure. The amount of foreign currency expenditures associated with this also increased by 19 percent. The surplus in the balance calculated in transferable rubles amounted to nearly R300 million.

The number of visitors from nonsocialist countries amounted to 7.7 million, about one-third more than in 1986. Hungarian citizens made 1.5 million trips to capitalist countries in 1987, somewhat more than in 1986. The surplus in convertible currency from tourism calculated in dollars amounted to $370 million, almost twice as high as in 1986.

Incomes, Consumption [subhead]

The real income of the population in 1987 remained at the level of 1986, and consumption—in addition to decreased savings—increased. The lack of change in real incomes resulted from the fact that nominal incomes and consumer prices increased at almost the same rate and by about 1.5 percent above the planned level. Most of the price increases above the planned level resulted from the central price measures taken during 1987.

In 1987, the average monthly income of workers and employees was to 7,040 forints and the average monthly income of workers in agricultural cooperatives was 6,220 forints, 8 and 7 percent more, respectively, than in 1986. The real per capita wages of workers and employees decreased by about 1 percent; the real per capita wages of workers in agricultural cooperatives decreased by about 1.5 percent.

The annual sum of social payments amounted to 162 billion forints, an increase of 9.4 percent over the 1986 figure. From this sum, 110 billion forints were paid as pensions, which is 11 percent more than in 1986. The number of pensioners increased by 43,000 during the year, and at the end of 1987 there were 2,380,000 pensioners. The average monthly pension per pensioner was 3,900 forints in 1987, an increase of 9.6 percent over the 1986 figure. In April 1987, 41 percent of the pensioners received pensions amounting to less than 3,000 forints and 14 percent received more than 5,000 forints. During the year, pensions were increased in connection with the price increases in April and August.

Some 23 billion forints—7.1 percent more than in 1986—were paid as family allowances. The number of families receiving these allowances declined by 9,200 and the number of children receiving them declined by 31,000. The increase in the total amount paid resulted from increases in allowances due to central price measures.

At the end of 1987, 228,400 people took advantage of child care assistance and payments. Both of these forms of compensation together amounted to 6.1 billion forints, 13 percent more than in 1986. The increase corresponds to the increase in the number of people taking advantage of child care payments. At the same time, there was a decline in the number of people receiving child care assistance. Women earning higher incomes or having higher qualifications are increasingly taking advantage of child care payments.

Expenditures on social services—health, education, and cultural services—increased by about 2 percent.

Consumer prices for all of 1987 were 8.6 percent higher than in 1986. The price of seasonal foods and of beverages, tobacco, and clothing increased more than average, while the price of durable consumer goods increased less.

Consumption by the population increased by 2.5 to 3 percent. Within this, the purchase of goods increased more quickly and the use of services more slowly. The amount of food consumption increased slightly, while that of beverages and tobacco decreased significantly. Following a decrease over several years, purchases of clothing increased. The volume of purchases of industrial goods, mainly as a result of a considerable increase in purchases of durable goods, increased by more than 10 percent.

Retail trade, which represents about 60 percent of the population's consumption, increased by 5 percent.

In addition to the outstanding performance of tourism, an important role in this increase was played by advanced purchases in view of the significant price increases due in 1988—purchases which accelerated in the second half and, particularly in the fourth quarter, of 1987. The trade sector was unable to fully satisfy the suddenly increasing demand for a considerable number of categories of articles. By the end of 1987, a 13-14 percent decrease in inventories had occurred.

On 31 December 1987, the amount of savings amounted to 286.6 billion forints, 11.7 billion forints more than a year previously. The overall increase in the amount of savings resulted from crediting savings accounts with interest amounting to 14.4 billion forints. Excluding this sum from the calculations, the population withdrew more than it deposited as new savings. Private savings invested in bonds in 1987 increased by about 11 billion forints. In addition, the amount of cash held by the population increased considerably more than in 1986.

Demography, Health Care, Education [subhead]

On 1 January 1988, the population of Hungary was 10,604,000—16,500, or 0.2 percent, less than in 1986. In 1987, 126,000 babies were born, 2,500 fewer than in 1986. The number of live births was 11.8 per 1,000 people. In 1987, 142,500 people died, 4,600 fewer than in 1986. There were 13.4 deaths per 1,000 people. Infant mortality continued to decline. Out of 1,000 infants, 17 died before they reached 12 months of age.

Among the diseases registered in 1987, acute respiratory illnesses occurred most frequently. The frequency of other contagious diseases decreased. Although chronic diseases were less frequent, they are of considerably greater significance because of their longer duration and more severe consequences. Circulatory disorders are the most significant. The frequency of diseases caused by malignancies has been increasing since 1980.

In 1987, the number of general health care and child care districts increased by 49 and the number of community dental care districts by 14. The proportion of district doctor vacancies remained the same—4.2 percent. The number of people per district doctor and district pediatrician declined by 17, to 1,897 people.

The number of available hospital beds increased in 1987 by 320, to 104,100. Renovation work continued on several hospitals. However, it is not possible to ensure comprehensive work on hospital buildings because of the shortage in finances for renovation.

This also applies to installations and equipment that to an increasing degree are becoming obsolete. Nevertheless, some progress can be noted in the area of an increasing number of general equipment, as well as specialized ultrasonic devices—for example in gynecology and cardiology—and of computerized tomographs.

The capacity of social welfare homes at the end of 1987 was 39,300 places, which is 750 more than in 1986.

The capacity of nurseries and kindergartens decreased by 2.4 percent and 1 percent, respectively. This did not affect services to the population since the number of children in the relevant age groups also declined.

In the 1987-88 academic year, 1,317,000 children are studying in the daytime program of the general schools—22,000 fewer than in 1986. The number of classrooms increased by 872. Some 39.8 percent of the students, a somewhat smaller proportion than in 1986, are studying in the long-day program of the general school.

Of those graduating from the eighth grade, 94.8 percent continue their studies. Similar to earlier trends, half of them continue in secondary schools and the other half in professional and vocational schools. Compared to the previous school year, the number of students in the daytime program of the secondary schools increased by 2,900, and of vocational schools by 2,000. The number of classrooms also increased by 194 and 94, respectively. One-fifth of the students at secondary schools live in student homes. In 1987, 53,100 daytime program students passed matriculation examinations. This amounts to an increase of 800 over the 1986 figure.

Some 99,000 students are studying at institutions of higher education,two-thirds in the daytime program. The proportion of students in the 18-22 age group is 9.6 percent, which is identical to the figure in 1986. Some 46.2 percent of the daytime students are living in student homes. In 1987, 24,400 students graduated, 14,400 of them from the daytime program.

$6 Billion Loan Needed Over Next 3 Years

LD052116 Budapest MTI in English
1551 GMT 5 Feb 88

[Text] Budapest, February 5 (MTI-ECONEWS)—The Hungarian economy will need at least another 6 billion dollars over the next three years to pay back the due capital and interest payments, and to finance the payments deficit.

Last year the deficit was more than 900 million dollars, but there are plans to bring the payments balance into equilibrium by 1990.

The country's foreign exchange reserves stand at approximately 2.5 billion dollars. An effective participation by the international financial institutions will be needed to find new creditors, writes the latest issue of the economic magazine "HETI VILAGGAZDASAG" (WEEKLY WORLD ECONOMY).

Between 1984 and the end of 1987, the gross convertible debt rose by some 10 billion dollars, and it stood at around 17 billion dollars. (It was 15 billion dollars on December 31, 1986.) The net external debt in convertible currencies was somewhat more than 10 billion dollars at the end of last year (7.79 billion at the end of 1986). The main reason behind this was the nosedive of the dollar. For instance, a 20 per cent improvement of the dollar exchange rate would "improve" the situation by between 2 and 3 billion dollars.

Last year, as much had to be paid for interests on foreign credits as the sum of payments deficit was, while convertible export incomes, plus the surplus derived from tourism just managed to cover the 5 billion dollar convertible import bill. So last year, credit repayments and the balance of payments deficit could be be covered only with new loans and, to a smaller extent, by the depletion of the foreign exchange reserves.

In the past years new credits have been virtually spent on capital and interest payments, on refilling foreign exchange reserves, and on covering the state budget deficits of the years 1985-1987. The latter totalled 100 billion forints (some 2 billion dollars).

The bulk of the budget deficit was derived from subsidies given to manufacturers, which did not act towards restructuring but merely supported obsolete production structures, due to political considerations.

Western financial institutions, the possible "recipients" of the 6 billion claim for further credit, show keen interest in the way in which Hungary's current strict economic policy will contribute to a healthy restructuring of the Hungarian economy points out the weekly.

Repercussions After Price Hikes Continue

Police Arrest 6 PSP Leaders

AU071543 Paris AFP in English
1531 GMT 7 Feb 88

[Excerpt] Feb 7 (AFP)—At least six leaders of the banned Polish Socialist Party (PSP) including party chief Jan Jozef Lipski, were arrested Sunday in Warsaw by political police, opposition sources said.

The six were arrested shortly after midday at a private flat as they were holding a meeting to discuss the situation one week after the introduction of sweeping price increases by the government.

A plenary meeting of the PSP Executive Bureau was to have been held Sunday afternoon. [passage omitted]

Demonstrators Protest Hikes

AU070802 Paris AFP in English
2307 GMT 7 Feb 88

[Text] Warsaw, Feb 7 (AFP) - Several thousand people staged a demonstration in Krakow Sunday protesting recent price rises and demanding the release of political prisoners, eyewitnesses said.

The protestors gathered after a church service in the southern city shouting anti-government slogans, the witnesses said.

An official of the banned Solidarity trade union denounced the price rises which came into effect last week before several of the protestors boarded a tram and covered it in Solidarity banners.

Informed sources in Krakow said police arrested three people, but they were later released.

Meanwhile, in Warsaw, sources said four of the six leaders of the banned Polish Socialist Party (PSP), arrested earlier Sunday also had been released.

The six, including party chief Jan Jozef Lipski, were arrested by political police at a private flat as they were holding a meeting to discuss the price increases.

'Militants' Fined for Meetings

AU061533 Paris AFP in English
1411 GMT 6 Feb 88

[Text] Warsaw, Feb 6 (AFP)—Five Polish opposition militants were fined Friday and Saturday at a Wroclaw police court for holding "illegal meetings", members of the banned Solidarity union said.

The five were arrested Thursday during a meeting organised by Solidarity and the outlawed Polish Socialist Party (PSP) in a private apartment.

The fines ranged from 10,000 zlotys (27 dollars) to 50,000 zlotys (132 dollars). The average monthly wage in Poland is 30,000 zlotys (79 dollars).

Analysis of U.S. Whitehead's Press Conference

AU081158 Warsaw TRYBUNA LUDU in Polish
4 Feb 88 p 2

[Wlodzimierz Lozinski commentary: "Courtesy or Frankness?"]

[Text] The introduction by U.S. Deputy Secretary of State John Whitehead at the press conference which concluded his Polish visit did not contain much courtesy, but a lot of frank assessments which exceeded the Washington practice of slowly improving relations with Poland. Praising the talks with representatives of the Polish authorities, Whitehead went further than the Polish journalists expected him to go and further than the American Administration's political practice would indicate. For example, he said that the development of events in Poland and Polish-American dialogue impel him to call for "a higher level of mutual relations than the present one, which calls for step-by-step moves."

What has proved the "most interesting and encouraging," 1 year after the previous visit by the deputy chief of Washington diplomacy?

—The degree of liberalization of domestic relations;

—The increased social need for further economic reform;

—The very principle of the reform, which, coupled with "the liberation of social involvement, should achieve the expected results."

These opinions were neither trite nor, as I said, a matter of courtesy. Answering questions from Polish and American journalists (most of the foreign journalists were American), Whitehead expanded his introductory thoughts by means of such important statements as "the need for a new look at the east European countries," "abandoning one's prejudice," or the need to extol the sovereign equality of partners in mutual relations.

The strategic doctrine contained in President Reagan's second report dated 20 January still refers to the old principle of "differentiating" between the socialist countries according to Washington criteria of independence and democracy. However, the deputy secretary of state carried out a major change to the interpretation of this document. He left every country the right to make its own assessments and declared a readiness to develop cooperation in order to consolidate the supreme values of security, arms reductions, and an expansion of economic and other relations.

Because American-Polish relations are still weighed down by the remnants of the 1982 sanctions, I asked John Whitehead about the possibilities of increasing Polish exports to the United States, many of which should enjoy the backing of government credit guarantees. The American guest did not rule out anything, recalling that his talks in Warsaw had augured a rapid return to work by the mixed trade commission and should encourage "greater energy from Polish traders."

Speaking on his own behalf, and then in answer to questions, Whitehead spoke about Polish foreign policy, mainly about the Jaruzelski Plan to reduce armaments and increase security in Europe. He recognized Poland's energy in building a safe Europe as "an encouragement to proceed from nuclear to conventional arms reductions." According to Whitehead, the Jaruzelski Plan is an "initiative that is gaining increasing understanding and support" because it takes into account the interests of the whole of Europe, from the Atlantic to the Urals.

The guest from America noted the favorable changes in Poland since his first visit. He made it clear that his opinion was not just a matter of courtesy, but a frank assessment by a politician who does not throw words to the wind.

Time will show whether the frankness of the pragmatist that Whitehead is considered in Poland will serve to enrich our mutual relations. Let us hope so.

More on Whitehead Visit

AU081213 Warsaw SLOWO POWSZECHNE in Polish 4 Feb 88 p 2

[Michal Koldziejczyk commentary: "Step by Step"]

[Text] Talks with a variety of interlocutors headed by General Wojciech Jaruzelski, a general impression of openness and of a readiness to discuss even the most sensitive issues—that is what John C. Whitehead, U.S. deputy secretary of state, is taking with him from Poland. His visit begins a new, working phase in Polish-American relations, which seem to have the worst behind them. Visible proof of this is the long-expected civil aviation agreement, which stabilizes air links between Warsaw, Krakow, and American cities, and abolishes the restrictions on scheduled and charter flights, the last remnants of the sanctions era. So a field for mutually advantageous cooperation is opening up, provided of course that this cooperation is firmly based on the political-economic reality. The American guest did not hide the fact that his visit was something of an investigation, displaying a desire to understand the situation in our country in all its complexity, but without the misinterpretations that were made all too often in the past.

It was, therefore, in such a constructive spirit that he held talks on matters of varying degrees of importance (for example, about a fund to supply water to Polish rural areas, which may at long last include in the Polish economy the famous $10 million which were granted in aid of our agriculture years ago).

Perhaps it is good that Whitehead's visit took place at a time of financial-price alterations that are essential for the second stage of the Polish economic reform and that the deputy secretary of state heard from the very lips of the most authoritative elements of Poland about the Polish leadership's hopes and fears concerning the reform. Because Whitehead was able to rely on information from other sources, his opinion of the Polish economic reform as proceeding in the right direction, backed by his assurance that American elements are monitoring them with understanding, is all the more important. One hopes that this understanding will assume a more concrete shape this year, in the financial sphere for example. Just like from other Western partners, we also expect from the United States a permanent increase in the very substance of mutual relations, in other words we expect more than just declarations about good will and about an improvement in the climate, which in any case we think is already good enough to permit new bridges of cooperation, standing on firm pillars, to be thrown across the ocean. To be frank, we appreciate the invitation for the head of Polish diplomacy to pay an official visit to Washington, but we would like this visit to be the prelude to a qualitative breakthrough that will restore the historic status quo ante, in other words a personal, kind-hearted approach toward our Polish affairs on the part of the U.S. Administration.

The writer of these words realizes that these changes can only occur step by step, as Vice President Bush said during his visit last year. There are certain Republican Party election tactics at play here, as well as objective features (the situation inside the United States and the future of the Polish reforms). Nevertheless, this does not diminish the importance of the first steps and attempts to meet each other halfway, whereby one of the most important features in my view is the United States' rejection of the erroneous tactic of issuing the socialist countries with reprimands based on political criteria.

Visit of CSSR's Jakes Previewed

LD071830 Warsaw Domestic Service in Polish 1800 GMT 7 Feb 88

[Text] At the invitation of Wojciech Jaruzelski, first secretary of the party Central Committee, Milos Jakes, general secretary of the Communist Party of Czechoslovakia Central Committee is arriving tomorrow in Poland on a friendly working visit.

This will be the first journey by the leader of the Czechoslovak party to our country since taking over the post of general secretary.

It is being stressed in connection with this visit, that working meetings between the heads of the parties and socialist states has already become permanent practice in the fraternal countries' mutual relations. These meetings constitute an exchange of views on the topical, principal problems and tasks of socialist construction in our states, as well as an exchange of reciprocal information on the international situation.

This visit by Milos Jakes is taking place in a period of economic and social changes in Czechoslovakia, as well as reforms conducted in our country.

Jakes Arrival Noted

LD080849 Warsaw PAP in English
0820 GMT 8 Feb 88

[Text] Warsaw, Feb 8—General Secretary of the Central Committee of the Communist Party of Czechoslovakia began a friendly working visit here today.

At Warsaw Airport Milos Jakes was welcomed by PUWP CC First Secretary Wojciech Jaruzelski.

Economic Cooperation With CSSR Noted

LD052317 Warsaw PAP in English
2121 GMT 5 Feb 88

[Text] Warsaw, Feb. 5—Economic cooperation between Poland and Czechoslovakia constitutes one of the main pillars of Poland's economic cooperation in the material sphere. Czechoslovakia is Poland's second trading partner among the socialist countries, and Poland is expected to hold the same position in the Czechoslovak trade by the end of this year.

A very quick growth of the trade turnover has been noted during the last two years. In 1986 the trade exchange (in comparison with 1985) grew by 14 percent and in 1987 by 13 percent, breaking the level of 3 billion roubles. This year a 10 percent growth of the turnover has been envisaged. This will benefit the Polish market which will receive Czechoslovak textiles, curtains, artificial jewellery, 33,000 automatic washing machines, 100,000 pairs of shoes, 4,000 Skoda cars, among other things.

However, one should not ignore threats to prospective cooperation, for such a high growth of turnover becomes impossible without a deepening and modernization of its forms. Certain symptoms of such a danger have surfaced already during the balancing of this year's mutual supplies.

The further development of cooperation and coproduction is, undoubtedly, of key importance. Already at present machines and equipment have a 66 percent share of the turnover, including a 24 percent share accounted for by those covered by coproduction agreements. Overall, there are 16 such agreements, with another 20 in the offing.

One of the biggest coproduction agreements is that between the "Ursus" mechanical plant and the Czechoslovak "Zetor" on the production of heavy farm tractors. The agreement was extended and envisages the modernization of the tractors as well as the start of mass production of a new generation of these tractors after 1991.

Cooperation is functioning in the production of radio-cassette recorders, microscopes, electronic materials, in the pharmaceutical, chemical and metallurgical industries. However, some ties are relatively shallow and on a small scale.

Thus, the possibility of widening the trade exchange should be sought in the tightening of direct cooperation between both countries' enterprises. From this point of view very promising will be a government agreement, now in the works, which will create the legal framework for more independent establishment of relations between enterprises.

European Parliament Talks Termed 'Useful'

LD060437 Warsaw PAP in English
2330 GMT 5 Feb 88

[Text] Warsaw, Feb 5—Sejm Deputy Speaker Mieczyslaw F. Rakowski returned to Warsaw from Brussels on Friday after several days' talks with representatives of the European Parliament.

In a statement granted to the Polish TV prime time news bulletin at the Warsaw airport Rakowski said: "I have returned convinced that these talks have been useful and that they are worth continuing. I talked with representatives of all the groups at the European Parliament. My first impression was that much had changed in the way Poland had been viewed and in the attitude towards Poland also within that body."

"The talks were very interesting and showed no trace of the reluctance once demonstrated at the European Parliament. Interest in the Polish economic reform was dominating. Many questions referred to the development of the Polish economy in general. One can say that the climate for the continuation of not only talks but cooperation and exchange of views as well is good and has been continually improving," Rakowski stated.

Jaruzelski Receives Maltese Foreign Minister

LD062113 Warsaw Domestic Service in Polish
1900 GMT 6 Feb 88

[Text] Wojciech Jaruzelski has received Maltese Foreign Minister Vincent Tabone, who is in Poland on an official visit. They expressed an interest in broadening bilateral relations, especially in the field of economic cooperation.

They stressed the role of medium sized and small countries in shaping the international situation. In this context, particular attention was drawn to the subject of security in Central Europe and the Mediterranean region.

Marian Orzechowski took part in the talks.

Transcript of Urban's 2 Feb Press Conference

AU061821 Warsaw RZECZPOSPOLITA in Polish 3 Feb 87 pp 1, 5

[Transcript of Jerzy Urban's press conference with foreign and domestic journalists in Warsaw on 2 February]

[Text] At his 2 February press conference, J. Urban discussed Western radio stations' reports on Poland and John Whitehead's visit to Poland and answered questions from journalists. Below is the transcript of his conference: Urban: Some Western reports on Poland yesterday seemed to suggest that Poland was on fire. I cite Mr Gans, AP: "Thousands and thousands of Solidarity sympathizers took to Gdansk's streets. In Warsaw the militia clashed briefly with some 1,500 demonstrators." It is interesting that AP also reported that "Western diplomats and some Polish economists maintain that the government has endangered the realization of reforms by reducing price hikes and increasing price compensations." This means that AP thinks that the government has made a fatal mistake by increasing prices, but an even more fatal one by not increasing them high enough.

Clashes with the militia are figments of the imagination, of course. In addition, the numerical size of two small and short demonstrations was exaggerated by several times. As usual, these demonstrations issued from the St. Brigida Church in Gdansk and from the Warsaw Church in Zoliborz. The same actors and extras put on the same shows for the benefit of the Western television and press cameras. When the picture-taking is over, these actors and extras disperse. On this particular occasion there were several hundred, not thousands, of such actors and extras, including passers-by.

I have read transcripts of Radio Free Europe broadcasts over the past few days. In almost all its programs, that U.S. radio station was against price hikes so you could assume that it was a station located in the country where coal and electricity were, are, and will be sold at prices twice lower than production costs. Why is it that the government in charge of Radio Free Europe—the government of a state that is so much richer than ours—does not subsidize its citizens' central heating, rent, fuel, energy, transportation, and bread? But the Poles are being encouraged to go against the grain of economic logic so that Poland will be a place of unrest and the United States one of prosperity.

Radio Free Europe continues to do all it can to provoke a conflict in Poland and to encourage Poles to commit any act of desperation. It continues without a break to make people fear that price hikes will be greater than announced, that the reform of the economy will prove to be a dud, that living standards will stop at the hunger line, and that inflation will be twice as high as expected. This propaganda wants to tell Poles: Go and riot, you have nothing to lose. Take your chance while the authorities are shivering with fear.

On 30 January Mr Gorski said on Radio Free Europe that the authorities' fear was quite concrete and that last Friday Premier Messner admitted that he was full of fear and that he expected tensions to materialize that would make his hair stand on end. All this is a figment of the imagination. The premier argued calmly in Rzeszow that price hikes are necessary..

On 31 January Mr Gawlikowski broadcast that wages for the power apparatus' had been raised by 70 percent and that this was the reason why the Gdansk demonstrators who issued from Father Jankowski's church were right when they asserted that the government would be able to make a living. The same Mr Gawlikowski said on another occasion that some people were being granted Z6,000 to wipe away their tears, while, I quote, "party aktivs are the caste that is to receive a 70-percent wage increase." This falsehood continues to be repeated several times a day. It is a provocation showing that Radio Free Europe is ready to play a dishonest game at the lowest level of instincts.

The leading party-state cadres received their latest wage increase 18 months ago. This raise was calculated in line with the general index of wage increases of 2 years before. These cadres have now received no wage increase except the Z6,000 like everyone else. Actually, I am not certain about the Z6,000 for these cadres because decisions still have not been made, but I hope they will. The adjustments to the salaries of ministers, general directors, voivodas, deputy voivodas, and so on will have to be carried out at some suitable time in line with the increases of the employees' wages paid from the state budget. This is because of the absurd wage disproportions that may soon be responsible for the fact that directors and other chiefs will begin earning less than their subordinates. No doubt the same adjustments will have to be made in the case of the leading party cadres paid for their work from only the party fees fund and the profits of the party publication PRASA. However, no wage increases are being planned or even considered for leading party cadres, although the Central Committee apparatus has been reduced by 20 percent and state administration by one-third. The state leadership and ministers are at the end of the line for raises. Nor have any decisions been made to increase wages of the lower-level party apparatus. On the other hand, we expect that state administrative workers' wages will be increased to approximately the extent to which wages of employees paid from the state budget are raised. Health service workers, whose wages are particularly low, will enjoy priority in wage increases this year. The increases in administrative workers' wages result from the Z6,000 granted as compensation for price hikes, from the legally guaranteed of wage increases in the economy in 1987, and from the principle that the surplus funds produced by personnel redundancies should be distributed among the remaining personnel, who have to assume extra duties. This principle applies to all enterprises and institutions. As you know, the central administration has been reduced by over one-third. I was particularly annoyed when I heard the Radio Free Europe fictions about 70-percent raises for prominent people. As a journalist, I naturally compare my earnings with those of other journalists. Today the average earnings of journalists on some dailies are at the level of my earnings augmented by the length of service and special supplements. I know that comparisons and envy are useless, but I have made them to show how much truth there is in what Radio Free Europe tells us.

That station told us 3 days ago that twice as many orders were awarded to people in 1986 than in the previous 10 years, and cited data published in Poland. This data was erroneously published by POLITYKA, and this error was rectified at once. Actually, about 212,000 fewer orders and distinctions were awarded in 1986 than in 1985 and in 1984. And it is not the authorities that grant themselves awards as was the case in the past. In 1986 the central state cadres received 10 times fewer orders than teachers and a fraction of the orders received by old-age pensioners. Most orders were awarded to miners, metallurgical workers, shipyard workers, other workers, teachers, health service workers, veterans, and, to a lesser extent, creative people because their number is not large. Most awards were made in line with the charters of miners, metallurgical workers, shipyard workers, harbor workers, and teachers. Radio Free Europe insults the meritorious working people and ridicules the fact that their services have been honored. It does this in line with its principle that whatever Polish authorities do is a priori useless and that everything should be turned against them.

I worked for POLITYKA with a colleague who changed his political views in 1980 and joined Bratkowski's extreme group. But this colleague was even then a sensible, moderate, and prudent human being. On 31 January he participated in the Radio Free Europe discussion and summed it up in words that were an appeal for insurgency. He said this about Poland: "I think that Poland is now a volcano, and even Colonel Kwiatkowski's public polls show that there will be a terrible eruption as soon as people's frustration reaches a certain point. The only thing is to find out what will trigger this blast. What is needed is for something spectacular to happen. Programs, appeals, and speeches will not do. Something must be done to budge that society."

Maciej Ilowiecki announced this on Radio Free Europe, while, almost simultaneously, he signed a conciliatory declaration together with Ryszard Bugaj and others. Which of his intentions are really genuine? I do not know. However, it is a fact that while Mr Whitehead, U.S. deputy secretary of state, landed in Poland and declared that the purpose of his visit was to continue to improve U.S.-Polish relations, the U.S. radio station financed and controlled by the U.S. authorities broadcast that Pole's statement asking that it be determined what will help trigger a terrible blast in Poland and saying that something more is needed than programs and speeches to budge our society toward such a blast.

Perhaps it is such expectations that prompted AP, which reported on the mobs in our streets and on clashes with the militia, and which opined that price hikes would create resentment, while claiming that they were too low to promote the economic reform, to phone me and ask about the government's expectations regarding the people's response to those hikes. I did not think it was appropriate to answer this question over the telephone. I am answering it now. The government did not and does not expect people to be pleased with price hikes. Price hikes irritate women and most housewives who have so much trouble making ends meet. We think that as the economic reform makes positive progress, more and more people will realize that it was necessary and beneficial. AP also asked me about the protests against price hikes and about the ensuing situation. The price hikes have created a difficult moment in our life, but the situation is not at all what Radio Free Europe makes it out to be and wishes it to develop. The Polish people are not a band of thoughtless desperadoes who will protest against economic necessities by throwing stones. The Polish community knows that prices, wages, and living standards depend on its work and not on its shouts. It knows that these things depend on changes in work organization; on the performance of economic mechanisms; on improvements achieved by the certification of jobs; on the rationalization of employment; on submission to economic pressures; and on the conservation of materials, energy, and fuels.

If the United States were to occupy Poland tomorrow and if Mr Ilowiecki—please forgive me this vision—were to become a U.S. governor of Poland, I am sure that the day after his first day on the job he would eagerly advocate price hikes because he would see that you cannot sell coal, food, and electricity far below their production costs for very long. We have subsidized these low prices by excessively taxing enterprises, which were therefore unable to develop and pay real wages, and which were compelled to boost unsubsidized prices. Such an economy makes no sense either in Poland or in the United States.

I expect that, as always, price hikes will generate more stringent demands by the work force for wage increases. If increased production supports such demands, everything will be OK. Productive workers will be paid higher wages and everyone will begin to live increasingly better. However, if increased production and economic results do not support such demands, the government will take tough countermeasures because submitting to demands not justified by production would only increase inflation. However, the government plans to strangle and reduce inflation in 3 years; it has no plans to increase it.

AP also asked me whether our order-keeping forces had been put on alert in connection with the price hikes. My reply is that these forces are always on alert to defend the security of citizens and their state. On the other hand, however, the order-keeping forces in the economy have been put on special alert and continue to become stronger in numbers. Unfortunately, I am still unable to declare with full responsibility that these forces are large and strong enough to match our needs.

Christopher Bobinski, FINANCIAL TIMES: Could you expound on this thought about firm opposition to wage increases that are not covered by higher production? How does the government intend to increase the wages? With what funds?

Urban: The government will adhere strictly to the rules of the game concerning wage increases.

Dag Halvorsen, ARBEIDERBLADET: You said that 20 percent of the officials in the party-state apparatus already have new jobs. Have there been any checks to see what these people are doing and what difficulties, if any, they are having? Urban: The 20 percent applies to the Central Committee. The central state apparatus has been reduced by one-third, so this is a considerable reduction. I have information on this subject, but it stems from the first half of January, and is no longer up to date. The basic departments of the new ministries have already been filled. Of the 3,131 new posts in these ministries, 2,474 were occupied as of 1 January. Out of the 216 new head and deputy head of department positions, 183 are already filled. The difference between the two figures gives the number of vacant posts. Basically, the ministry leaderships are already established.

Let me tell you that in the old ministries there were 6,000 people—more than 6,000, in fact—and that they included 563 heads of department. The number of deputy heads of department has been more than halved. There will be 1,200 fewer posts in those ministries that have not been affected.

Of these 6,000-plus employees in the old ministries, 2,600 have either transferred to the new ones or will do so shortly. And in addition to central administrative staff, about 900 outsiders have also begun employment. A total of 600 people are retiring. About 300 have resigned altogether, because, for example they want to take up private economic activity. A small number have been sent on courses to increase their qualifications. About 1,600 people from the abolished ministries are still undecided about what to do or have not received any suitable offers.

In addition, it will be necessary to find employment outside the sphere of central administration for 800 people from those ministries that are making staff reductions. Some 7,000 job offers have been received for these people, including offers of 2,000 jobs in enterprises—usually ones that correspond to the nature of work in the ministry the employee has left. However, given the number of offers, there is naturally a difference between a person's qualifications and those that are needed for a particular job. To all this, I may add that over 66 percent of all these ministerial and office employees have higher education, and half of them are under 45 years of age, so this makes it easier to find a job. All heads and deputy heads of department have higher education, and 24 percent of them are under 45.

Apart from all this, a review and assessment of cadres has been conducted throughout the entire central administration. It covered over 12,000 people. It was harsher than the previous review. Only 20-25 percent of ministerial cadres were approved for further work in the central administration. Those are the details.

Charles Gans, AP: Since you mentioned my name and my article, I have this to say: You have seriously distorted my article, mainly because you only quoted one short passage out of quite a long article. My article—and it was written before the price increases—said that the Polish Government is in a difficult situation, and that many Polish economic experts and Western diplomats agree that the economic reform is in danger because of the very fact that the radical version of the reform has been rejected. This is a difficult situation for the government. In the next paragraph, I said that many people in the domestic opposition and in official government circles think the price increases are too high. This means that the increases are seriously undermining Polish society's standard of living, if I may say so. As a result, the Polish Government is being put to a very serious test, so to speak. The general tone of the entire article is that this is a difficult time and difficult trial for the Polish Government, which will somehow have to reconcile social pressure for wage increases with the need to economize. And I said that faced with these two opposing sources of pressure, the Polish Government may be unwilling to make certain changes for fear of major social unrest, as was the case in 1982. The unrest that year was connected with the announced and partly-implemented price increases.

Finally, as far the incident in Warsaw which I described is concerned, all I will say is that there was a brief clash between the peace-keeping forces, the militia, and persons in the vicinity of the church. I was there; I saw what happened. I saw the truncheons flying, and I saw snowballs being thrown at the militia. So I described what I saw. That is all, I think.

Urban: Thank you very much for your statement. It will make it easier for us to convey your obviously quite appropriate analyses to the Polish readers and viewers following this conference. However, I wish American public opinion, or world opinion—for that is AP's scope—had the chance to understand what is happening in Poland. On the one hand, you write that the price increases are a necessity and that easing them would affect the speed of the economic reform, yet on the other, you display obvious schadenfreude in your eagerness to point out any opposition, protest, or unrest, which are given positive treatment. How is a reader supposed to understand what the West really thinks?

According to information from the militia, no force was used.

Andrzew Tarnowski, REUTER: Could you tell us why the zloty was devalued yesterday and why there has been no official communique, as is the custom?

Urban: The reason is the reduced purchasing power of the zloty, and thus a change in the rate against other currencies, and a desire to keep the zloty at such a level to promote exports. I cannot say why there was no communique. We will find out and let you know. After all, there is no reason, sense, or precedent for keeping exchange rate changes confidential. I simply do not know if it has appeared in writing.

Peter Johnsson, GOETEBORGS POSTEN: The economic reform program prior to the referendum said that the zloty should be devalued enough to make all exports profitable. Could you now tell us how much it is going to be devalued?

Urban: You misunderstand the problem. The point is to preserve the profitability of exports, but that does not mean that the zloty's value should be reduced by a maximum amount because then the national income would be taken out of the country. The point is to preserve the exchange rate at such a level as to make enterprises concerned about the profitability of exports, on the one hand, and to prevent unprofitable exports—in other words, exports worth less than the value of the exported goods—on the other. These exchange rates must be flexible, and, in fact, they are adapted to the position of the zloty and to world prices and other factors.

Kay Withers, THE BALTIMORE SUN: People say that even the army was in a state of alert over the weekend. Can you confirm this, and explain why? And is the army still on alert?

Urban: I know nothing about this. If anything happened in the army, it could not have had anything to do with the price increases. So it must have had something to do with military activity—for example, exercises.

Lars Persson, EXPRESSEN: Following the latest price increases, the procurement price of milk is Z53 per liter, whereas the retail price in stores is Z38 per liter. The increases have raised the procurement price of milk—in other words, the price which the state pays to farmers—by 56 percent, and the retail price—in other words, the price paid in stores—by 46 percent. This means that subsidies for milk production have not been reduced at all. On the contrary, they have increased. Could you tell us, then, if any subsidies at all have been reduced as a result of the reform?

Urban: Of course they have, and the milk subsidy has also been reduced. (Footnote) (The government spokesman was in error here—Government Press Office annotation). Subsidies for milk and many other food items will be continued to protect the level of consumption. I do not have any figures in front of me, and to receive a proper reply, you will have to visit our office and consult a list of goods, prices, and calculations. I do not have these figures in my head. A typical example of a product that no longer will be subsidized is coal, which has tripled in price, so that the coal people now buy is no longer subsidized. I must explain that in the program we said that, generally speaking, we have merely a curb on subsidies or a prevention of their growth. Some subsidies will be abolished gradually, and others we have no intention of abolishing. One of these is milk because of the certain priority accorded to milk consumption for health reasons.

Christopher Bobinski, FINANCIAL TIMES: I have two questions. You mentioned a statement by the Ryszard Bugaj group. Do you have a position on this matter? The second question is about the militia activity outside the Romanian Embassy yesterday. Does that mean that the Polish authorities sympathize with the repressive policy of that country's leadership?

Urban: Officially, I have nothing to say about the document signed by Ryszard Bugaj and others. I simply read it out of interest. As I said, there is no doubt that it contains signs of reconciliation, although it also exaggerates and presents a catastrophic picture of the situation in Poland, which is typical of people such as this. In any case, I think it is a serious document and one that shows a marked consensus with our own programmatic intentions, so it is not a bad basis for talks. However, the reason I mentioned the document is the contrast between what it says and what one of its signatories said on Radio Free Europe 3 or 4 days after it had been signed. One wonders how one can trust people who sign documents of reconciliation calling for dialogue on one day, and then announce over the radio the next day that one must look for the fuse to cause an explosion in Poland. What sort of dialogue partners are these?

I will answer your second question as follows: The Polish authorities will not permit any hooliganism on the streets, and will not permit any provocation designed to disturb friendly socialist countries.

Jackson Diehl, WASHINGTON POST: I have two questions. During Mr Whitehead's visit to Poland were there any talks on the subject of the Solidarity health care fund as well as donations of several ambulances for the Polish health service? Did Mr Whitehead sign any kind of agreement on this subject or manage to reach some kind of agreement with the Polish authorities?

My second question concerns the demonstration that took place outside the Romanian Embassy yesterday. An identical demonstration took place outside the Romanian Embassy in Budapest. However, the police in Budapest allowed the demonstrators to stage their protest. In view of this, I would like to ask if the Polish authorities subscribe to a different philosophy with respect to the question of freedom of expression on ideological matters, since the public order services in the two countries behaved so differently?

Urban: In reply to your first question: I have no information about whether the plans for the fund, which are currently being considered by the Health Ministry, were discussed during the talks Mr Whitehead held. I only know that another fund was discussed, that is, a fund to provide the countryside with water.

I would like to use the opportunity provided by your question to discuss the course of Mr Whitehead's visit. I can add to the information provided by PAP about Mr Whitehead's visit by mentioning that the deputy secretary of state also met with Mieczyslaw Rakowski, the Sejm vice marshal. Rakowski believes that the exchange of views was remarkably interesting, frank, and far-reaching. Generally speaking, we consider that the talks were very constructive. We highly appraised the talks that were held with Mr Whitehead last year. This year's talks were even more promising in terms of their substance and the atmosphere that surrounded them. Although differences of opinion still exist, there were many international and bilateral issues with respect to which this year's talks were even been better than those held last year. We consider the U. S. deputy secretary of state's assurance that there is a desire to promote Polish-American relations to be sincere and resolute. Evidence of this is the invitation to pay an official visit to the United States that was extended to Minister Marian Orzechowski by Secretary of State George Shultz.

We, Mr Whitehead's Polish hosts, are trying to create an opportunity for the deputy secretary of state to meet a broad cross-section of people who hold a variety of views so that he can obtain a good idea of Polish problems and issues. Mr Whitehead will be received by Wojciech Jaruzelski, which will mark the culmination of the visit.

Your second question concerns events that took place in Budapest. I am not familiar with those events and cannot assess them. Even if I did know about them, I would not judge the conduct of the Hungarian authorities. The most I can do is assure you that we have not noticed any differences with respect to what you have described as political philosophy during the course of numerous talks with Hungarian leaders. On the contrary, we have noted strong similarities.

Dag Halvorsen, ARBEIDERBLADET: Mieczylsaw Rakowski gave a very interesting interview to MOSCOW NEWS in which he discussed the possibility of providing more extensive information in other socialist countries. There was also a very free discussion of what is happening in other socialist countries. Is it not a logical consequence of this that, for example, groups of Polish citizens—they need not do so by holding a demonstration—may distance themselves from certain events in Romania? Let us take a more topical example: the arrests in the GDR of certain members of the protestant church. Is it not quite normal for Polish protestants to protest these arrests? Surely these are completely normal relations between socialist countries in this period of glasnost and restructuring, as Mieczysalw Rakowski would seem to believe?

Urban: Well, first of all I would not like you to get Vice Marshal Rakowski mixed up in your reflections. I think you should attribute observations of this kind to yourself.

Second, I clearly described the government's position toward irresponsible and provocative street demonstrations. I share the view that you presented on behalf of M. Rakowski that one can and should assess and express views about events taking place in other countries, and if one does express some critical views, this does not immediately mean that one is opposed to ties of friendship or is acting against the interests of interstate relations, but I would not expand this to include street demonstrations.

Jackson Diehl, WASHINGTON POST: Was the possibility of a visit to Poland by President Reagan discussed during talks with Deputy Secretary of State Whitehead? If a possibility of this kind does exist, how would the Polish authorities respond to such a proposal from the American side?

Urban: The subject was not discussed. So, it is difficult for me to express the position of the Polish authorities toward such a possibility. If I were not the government spokesman, who is not authorized to conduct negotiations about visits in public—visits that are not being discussed—I would assure you that Poland, as was already discussed during Vice President Bush's visit, would welcome any President of the United States respectfully and gladly.

Charles Gans, AP: Mr Minister, several years ago the Polish militia permitted Arab and Libyan students to demonstrate outside the American Embassy, and this was despite the fact that there were rumors that some of these Libyan students had sent a telegram to Al-Qadhdhafi expressing support for the creation of suicide squads that were to attack American installations and offices.

In view of this, I wonder why Polish citizens living in their own country do not enjoy the same rights, are not accorded the same civil rights and freedoms as foreigners, especially when one bears in mind that these Polish citizens intended to demonstrate peacefully.

Urban: Generally in Poland—and this is true in this case as well—demonstrations can be held if the appropriate administrative authorities issue a permit. However, since you referred to some demonstrations held outside the American Embassy by citizens of certain Arab countries (moreover, the rumors about suicide attacks had no bearing on Poland and the embassy was in no way endangered as its safety had been ensured), I would like to assure you that the Polish authorities have frequently banned demonstrations outside the American and other embassies, including the embassies of other Western states. These demonstrations were banned because they posed a threat to public order or might have been damaging to Poland's interests. Some of these demonstrations were also banned at the request of the embassies concerned.

I have some more information for you. The Canadian press has been publishing sensational reports about a certain Mr Paszkowski, who is portrayed as an agent working for the Canadian secret service as well as a double agent who worked for both sides and had some kinds of links with Polish services. I deny this officially and resolutely. It is all nonsense; these are rumors without any foundation. All we know about Paszkowski is that he hijacked an airplane flying from Budapest to Munich in 1982. He was subsequently jailed for 4 and 1/2 years and was released before completing his sentence. We do not know what happened to him after that. I have mentioned this because the Canadian press has been reporting some nonsense about the existence—according to Paszkowski—of 100 Polish secret service agents who are operating in Canada. Mr Paszkowski seems to be a confused person who is expressing all kinds of fabricated ideas.

In addition, Voice of America—and this is not the first time—has provided some false information about the trial of Jan Andrzej Gorny, namely, that there was no basis for indicting Gorny since his wife had withdrawn her complaint and the question of alimony arrears had been settled. In a word, Voice of America was questioning the legal validity of the verdict.

Let us remember that the Western media said that Gorny's wife was not even in Poland, but was living in the FRG and, therefore, that the whole alimony affair seemed to make no sense at all. Now that this has been disproved, some other falsehood is being circulated about the complaint being withdrawn. I have some detailed information here about the course of the whole affair. The simple truth is that Maria Gorny exercised her right, as is customary in such cases, not to testify against her husband. In November 1987 she signed a document stating that she had not received any financial support from Gorny or anyone connected with him. She received some money only after Gorny had been arrested in connection with the alimony affair. I have a detailed explanation of the legal aspect of this and it indicates that even if a person who is owed alimony withdraws a complaint, further action is taken because that is the law with respect to alimony matters.

Yousef Mah'd [name as published], PALESTINIAN PRESS AGENCY: What I want to say above all is that when a demonstration was held against state terrorism nothing was done, a statement was not even sent to Colonel al-Qadhdhafi from Warsaw.

Mr Minister, this is my question: The world's press agencies have been circulating alarming reports about the kidnapping and murder of children by Israeli soldiers and settlers. Yesterday some Arabic language radio stations reported that 30 children had been kidnapped. Before that, an Israeli newspaper said that 25 people were murdered on 20 December 1987.

On the other hand, many soldiers are refusing to serve in the occupied territories. And today activists belonging to the Israeli peace movement "Peace Now" have been demonstrating and holding a hunger strike outside the home of General Sharon. What are your views on this?

Urban: On many occasions Poland has expressed its opposition to the repressive policy that Israel is pursuing with respect to the Palestinian minority. We are doing so together with most of the countries in the world and this is in keeping with the mass of world opinion. We are outraged by Israel's repressive actions, and we have expressed our outrage at, among others, the appropriate UN forums.

My apologies, I would also just like to tell you that there will be no press conference next week because I will be taking a 1-week vacation.

Holzer Clarifies Published 'Facts'

AU062119 Warsaw POLITYKA in Polish 23 Jan 88 p 2

[Letter to the editor: "Open Letter"]

[Text] I thank you for publishing my "Open Letter" in POLITYKA, Issue 3. It is not my intention at this time to argue with Editor Szeliga's interpretation of that letter, but I think that I have to clarify the facts published about me, facts that are similar to those enumerated by Jerzy Urban. Well, I have never been a member of the "group of Solidarity advisors" as alleged by Jerzy Urban; nor have I ever been "closely connected with the Solidarity leadership." Although I would never regard such connections as something reprehensible, I do not want readers to become confused. The truth is that I have never belonged to any leading body of Solidarity and have never participated in formal or informal sessions of various echelons or advisory bodies. I spoke only once to

Lech Walesa when I handed over to him my book about Solidarity's history, and I do have friendly relationships with some Solidarity activists and advisors. In some cases these relationships began dozens of years before Solidarity was established. I did write that history of Solidarity as well as a number of papers analyzing Solidarity. Since these papers have received publicity, they may, if they possess any value, be of equal benefit to Solidarity and to the authorities. These papers were not ordered by anyone. Nor has my "Open Letter" been ordered by anyone.

Signed: Jerzy Holzer, Warsaw.

U.S. Deputy Secretary of State Pays Visit

Palestinians Try To Demonstrate

AU052149 Belgrade Domestic Service in Serbo-Croatian 2100 GMT 5 Feb 88

[Text] Very strong security forces and militia have blocked the approaches to the U.S. Embassy in Bucharest and thus prevented a group of Palestinian students from handing over a statement to the U.S. ambassador in Romania in connection with the arrival of John Whitehead, U.S. deputy secretary of state, on a visit to Romania. After being stopped, about 100 Palestinians returned without incident to the nearby PLO mission.

Representatives of the Palestinian students made arrangements with Romanian young people for the latter to present the text of the statement with the help of the Romanian delegation participating in the official talks with Whitehead. The Palestinians organized four protest meetings in Bucharest, but they had received no permit for peaceful street demonstrations.

Arab Students Send Letter

AU051809 Bucharest AGERPRES in English 1742 GMT 5 Feb 88

["Meeting of Protest"—AGERPRES headline]

[Text] Bucharest, AGERPRES 05/02/1988—Meetings of protest of Arab and Palestinian students against the American policy in the Middle East were held on Friday in Bucharest, Iasi and Cluj, university centres with numerous foreign students.

Arab and Palestinian students, present in a large number at these events, voiced their deep indignation at the United States' policy of hampering the peace process in the Middle East, of violating the inalienable rights of the peoples in the region to a free and independent development in full consensus with their own desiderata.

The following letter to U.S. Deputy Secretary of State John Whitehead, now visiting Romania, was read during the meetings: "To Mr. John Whitehead, deputy secretary of state of the United States of America.

We the Arab and Palestinian students learning in the Socialist Republic of Romania have gathered today in a meeting of protest occasioned by your arrival in Bucharest to express our condemnation and disapproval of the policy of the United States of America in the Middle East, and more particularly of its policy as regards the inalienable rights of the Palestinian people, a stand maintained by further supporting the Israeli authorities and vetoing the latest Security Council resolution on the application of the Geneva convention in the occupied territories.

The policy the United States of America pursues in the Middle East runs counter to the peoples' freedom and to their right to self-determination, as it supports the violation of human rights.

For us it is obvious that your government's practices oppose all the statements on human rights and people's freedom.

The hundreds of Arab and Palestinian students in Romania state the following:

1. The Palestinian people's right to self-determination and to an independent state is sacred and this people will continue fighting with the support of all peace-loving peoples and forces of the world,

2. The Palestine Liberation Organization is the sole legitimate representative of the Palestinian people and peace will not be achieved in the region unless the PLO takes part in the U.N.-sponsored international conference,

3. The present American policy is a dangerous obstacle to peace in the Middle East,

4. The persistence of the United States of America in ignoring human rights in the Middle East, Asia, Africa and Latin America is a confirmation of the falseness of this policy,

5. We demand the USA to put an end to the military support given to Israel, as a positive step towards peace in the Middle East,

6. We demand the USA to work in favour of peace by declaring for an international conference under the U.N. aegis to be attended by all the five permanent members of the Security Council as well as by all the sides concerned, including the PLO as the sole and legitimate representative of the Palestinian people."

The participants in the meetings expressed full adhesion to the content of the letter and decided to take advantage of the U.S. deputy secretary of state's presence in Bucharest to voice the dissatisfaction of the Arab and Palestinian students in Romania at the United States' policy in the Middle East and other parts of the world, their protest against disregard of the peoples' rights to decide their own fate, to make their future as they wish, to build a free and dignified life.

Ceausescu Meets Whitehead

AU052047 Bucharest AGERPRES in English 2000 GMT 5 Feb 88

[Text] Bucharest, AGERPRES 5/02/1988—Friday, February 5, Romania's President Nicolae Ceausescu received John Whitehead, deputy secretary of state of the United States of America, now on a visit to Romania.

On the occasion, President Nicolae Ceausescu was conveyed a message from the U.S. President, Ronald Reagan.

During the interview problems were approached related to the Romanian-American relations, as well as current international aspects.

The interview was attended by Ioan Totu, minister of foreign affairs.

Present was Roger Kirk, ambassador of the USA to Bucharest.

On February 5, talks were held between the minister of foreign affairs of the Socialist Republic of Romania, Ioan Totu, and John Whitehead, deputy secretary of state of the USA.

Andrei Meets Whitehead

AU061905 Bucharest AGERPRES in English 1848 GMT 6 Feb 88

[Text] Bucharest, AGERPRES 6/2/1988—On February 6, Stefan Andrei, deputy prime minister of Romania, received John Whitehead, deputy secretary of state of the United States of America, who paid a visit to Bucharest.

Questions related to Romanian-American economic relations were approached during the interview.

More Birthday Messages From World Leaders

Spanish Workers Party Leader

AU022158 Bucharest SCINTEIA in Romanian 28 Jan 88 p 5

["Congratulatory Message From Abroad Addressed to President Nicolae Ceausescu," from Santiago Carillo, chairman of the Spanish Workers Party—the Communist Unity, on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general,

Dear Comrade and Friend,

While recalling your constantly active solidarity with the Spanish Communists, I take great pleasure in congratulating you on your 70th birthday.

On this occasion, I extend to you wishes for good health and much success in your activity.

Santiago Carrillo, chairman of the Spanish Workers Party—the Communist Unity.

Portuguese CP Leader

AU030806 Bucharest SCINTEIA in Romanian 28 Jan 88 p 5

["Congratulatory Message From Abroad Addressed to President Nicolae Ceausescu," from Alvaro Cunhal, secretary general of the Portuguese Communist Party on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general,

Esteemed Comrade Ceausescu,

On your 70th birthday I extend to you cordial greetings and wishes for good health, personal happiness, and successes in the activity of high responsibility you are carrying out at the helm of the Communist Party and of the Romanian state.

Alvaro Cunhal, secretary general of the Portuguese Communist Party.

West German CP Leader

AU030728 Bucharest SCINTEIA in Romanian 30 Jan 88 p 5

["Congratulatory Message From Abroad Addressed to President Nicolae Ceausescu," from Herbert Mies, chairman of the German Communist Party on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general

Esteemed Comrade Nicolae Ceausescu,

On your 70th birthday, I extend to you warm greetings. At this jubilee anniversary, I would like to express my respect for your longstanding activity devoted to socialist ideals, peace, democracy, and socialism.

Under your leadership, the Romanian workers have achieved profound revolutionary changes in the past decades and have created Socialist Romania.

I wish you good health, creative power, and successes in your activity of high responsibility.

With socialist greetings,

Herbert Mies, chairman of the German Communist Party.

Greek CP Leader

AU030729 Bucharest SCINTEIA in Romanian 30 Jan 88 p 5

["Congratulatory Message From Abroad Addressed to President Nicolae Ceausescu," from Harilaos Florakis, general secretary of the Greek Communist Party Central Committee on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

Beloved Comrade Ceausescu,

On your 70th birthday, the Central Committee of the Greek Communist Party extends to you cordial greetings and best wishes.

We wish you, beloved comrade, many happy years, robust health, and creative activity for attaining new successes on the path of building socialist society in Romania, for ensuring the Romanian people's well-being, and for consolidating peace, security, and cooperation in the Balkans, in Europe, and throughout the world.

We express our belief that, the relations of friendship and solidarity established between our parties will continue to develop and strengthen in the future for the benefit of the Greek and Romanian peoples and in the interest of our common cause of peace and socialism.

With comradely greetings,

Harilaos Florakis, general secretary of the Central Committee of the Greek Communist Party.

PFLP's Hawatimah

AU031350 Bucharest SCINTEIA in Romanian 31 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from Nayif Hawatimah, general secretary of the Central Committee of the Popular Front for the Liberation of Palestine on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general

On behalf of the members of the Central Committee of the Popular Front for the Liberation of Palestine [PFLP], of its militants, of the sons of the revolution and of the Palestinian people, and on my own behalf, I extend to you warm greetings and best wishes for good health and happiness on your 70th birthday.

Likewise, we extend greetings to the leadership, activists, and members of the RCP and to the friendly Romanian people, and we wish them more success in building Socialist Romania, in further devoting themselves to the cause of peace in the world, and in supporting the peoples' struggle for national liberation.

We would like to continue to enjoy the support of Socialist Romania for the cause of the Palestinian people, who are fighting to return to their homeland and regain their rights to self-determination and to establish their own independent country on the national territory, under the leadership of the PLO—their sole, legitimate representative.

Nayif Hawatimah, general secretary of the PFLP Central Committee.

Faruq Qaddumi

AU031404 Bucharest SCINTEIA in Romanian 31 Jan 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from Faruq Qaddumi, member of the PLO Executive Committee and chief of the Political Department of the PLO, on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

On your 70th birthday and on the anniversary of the more than 55 years of heroic revolutionary activity devoted to freedom and the dignity of the friendly Romanian people, I have the great honor to extend to you warmest greetings and wishes for more success, progress, and prosperity to Romania, under your bold leadership.

I extend to you my sincere thanks for your solidarity and support for the just fight of the Palestinian people to regain their inalienable national rights, including the right to their own independent state.

With greatest respect,

Faruq Qaddumi, member of the PLO Executive Committee and chief of the Political Department of the PLO.

Palestinian TU Chief

AU042030 Bucharest SCINTEIA in Romanian 2 Feb 88 p 5

["Congratulatory Message Addressed to President Nicolae Ceausescu" on his 70th birthday from Haydar Ibrahim, general secretary of the Federation of Palestinian Trade Unions]

[Text] To Comrade Nicolae Ceausescu, RCP Secretary General and President of the SR of Romania,

On your 70th birthday and more than 55 years of revolutionary activity, the General Secretariat of the Federation of Palestinian Trade Unions extends to you best wishes for success and health.

We extend friendly greetings to the Romanian people and workers class as well as best wishes for new successes, development, and progress.

Please accept our most heartfelt gratitude for your fraternal support granted to the just struggle of our Palestinian Arab people and to their sole legitimate representative the PLO.

With particular regard,

Haydar Ibrahim, general secretary of the Federation of Palestinian Trade Unions.

Angola's Dos Santos

AU051128 Bucharest SCINTEIA in Romanian 2 Feb 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from Jose Eduardo dos Santos, chairman of the MPLA—Popular Movement for the Liberation of Angola and president of the People's Republic of Angola on President Nicolae Ceausescu's 70th birthday]

[Text] To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania

Esteemed Comrade,

On the occasion of your 70th birthday, I have the honor to extend to you heartfelt greetings on behalf of the Central Committee of the MPLA—Popular Movement for the Liberation of Angola, the Government of the People's Republic of Angola, and on my own behalf.

Your birthday, Comrade Ceausescu, is doubly significant, because by historical coincidence, it is celebrated on the anniversary of 55 years of your revolutionary activity.

On this occasion, I hail the self-denial, clear-sightedness, and highly realistic feeling you have always showed in leading the destinies of the fraternal Romanian people, in building the socialist homeland, and in solving the various complex problems brought about by the contemporary life and by the scientific-technological revolution in every country. Therefore, by applying the principles of the scientific doctrine of the proletariat, in a relatively short time, the SR of Romania has become an industrialized and prosperous country, which today is a stimulating source for all the nations that follow the same path.

Esteemed Comrade Nicolae Ceausescu, I renew my sincere wishes for good health, prosperity, and for new success to the fraternal Romanian people.

With high fraternal regards,

Jose Eduardo dos Santos, chairman of the MPLA—Popular Movement for the Liberation of Angola and president of the People's Republic of Angola.

South Yemeni Socialist Leader

AU051138 Bucharest SCINTEIA in Romanian 2 Feb 88 p 5

["Congratulatory Message From Abroad to President Nicolae Ceausescu," from 'Ali Salim al-Bid, secretary general of the Yemeni Socialist Party Central Committee on President Nicolae Ceausescu's 70th birthday]

To Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania,

Esteemed Comrade Nicolae Ceausescu, on the occasion of your 70th birthday, I take pleasure in conveying to you best wishes and cordial greetings, on behalf of the Central Committee of the Yemeni Socialist Party [YSP].

Your activity as a militant revolutionary is directly connected with the struggle of the friendly Romanian people against fascism and for proclamation of the republic and building socialism in your homeland.

Under the leadership of the RCP, the friendly Romanian people have obtained many good results on the road to consolidating the socialist system. Romania plays an important role in strengthening security and peace in the Balkans and in Europe.

Once again we extend to you our wishes for good health and personal happiness and for great successes to the Romanian people and to your country.

Likewise, we express our wish that the relations between our parties, countries, and people develop further.

'Ali Salim al-Bid, secretary general of the YSP Central Committee.

Representative Addresses World TU Conference

AU040931 Bucharest AGERPRES in English 0811 GMT 4 Feb 88

[Text] Bucharest, AGERPRES, 4/2/1988—Speaking at the world trade union conference the theme of which is the trade unions and international economic security, the representative of the General Trade Union Confederation of Romania highlighted the importance that Romania's trade unions and working people attach to the building of relations apt to ensure the development of all the peoples of the world on the path of progress and civilization. The speakers stressed that in the view of Romania, of President Nicolae Ceausescu, world stability and peace can be achieved and economic problems overcome only if underdevelopment is eradicated and equitable solutions are found to the foreign debt problem, including a substantial cut in interests, mutually advantageous relations are established among all the states of the world, and a new international economic order is built. The close relationship between development and disarmament—the Romanian representative said—increasingly brings to the fore the fact that a resolute end to the arms race and a passage to concrete disarmament measures, nuclear disarmament measures in the first place, are essential for a positive settlement of the serious world economic problem.

Author Arrested After Giving Paris Interview

AU072107 Paris AFP in English
2058 GMT 7 Feb 88

[Text] Paris, Feb 7 (AFP)—Romanian author Dan Petruscu was arrested in Iassu, eastern Romania, Friday, nine days after he gave an interview to the Paris daily LIBERATION, a human rights spokesman said here Sunday.

In the January 27 interview Mr. Petrescu, 39, harshly criticised Romanian leader Nicolae Ceausescu calling him a dictator who had to leave.

According to the author, Romania was living the "end of an era."

The spokesman for the League for the Defence of Human Rights in Romania said Mr Petrescu was first jailed for six years in 1969 when he was accused of "kidnapping" the daughter of a senior Romanian security agent.

He served half of the sentence.

According to the human rights group, he was again arrested in 1983 while writing a book on Mr Ceausescu but was allowed to attend a Paris seminar on Romanian writer Mircea Eliade early last year.

Further Reportage on Working People's Council

Report on Closing Session

AU051813 Bucharest AGERPRES in English
1717 GMT 5 Feb 88

[Text] Bucharest, AGERPRES 5/2/1988—The plenary meeting of the Working People's National Council concluded in Bucharest. The plenary meeting was held on February 4 and 5 under the chairmanship of the RCP General Secretary, president of Romania, chairman of the Working People's National Council.

The debates in the plenum of the council continued on Friday morning, when many participants took the floor.

After two days of debates which focused on the targets for this year, the council unanimously approved the single national plan of the country's socioeconomic development for 1988.

The plenary meeting also unanimously approved the resolution-appeal of the Working People's National Council.

President Nicolae Ceausescu took the floor in conclusion of the proceedings.

Ceausescu's Speech

AU052131 Bucharest AGERPRES in English
2106 GMT 5 Feb 88

"President Nicolae Ceausescu on International Issues"—AGERPRES headline]

[Text] Bucharest, AGERPRES 05/02/1988—In the speech he made on Friday at the end of the plenary meeting of the Working People's National Council President Nicolae Ceausescu approached a number of international issues stressing that the world situation required an intensification of efforts towards halting the still dangerous course of events. It is true, he said, that an accord on intermediate-range missiles was reached between the Soviet Union and the United States. We have welcomed it and we see it as an important step, but only a first step as there still are huge stockpiles of nuclear weapons that can destroy mankind several times, annihilate life on our planet. That is why, we are of the opinion that everything possible should be done for further steps and agreements on a 50-per cent reduction of the nuclear strategic arms of the United States and of the Soviet Union, the cessation of nuclear tests, of space militarization and a passage to further actions for the complete elimination of nuclear weapons. As long as nuclear weapons exist and are manufactured no one can consider the situation as undangerous.

Romania's president also spoke for a radical cut in conventional arms, under a strict international control, for renunciation of chemical weapons considering that the time had come for the withdrawal of foreign troops from the territory of other states, a passage to the dismantlement of foreign military bases, firm measures to put an end to the use or threat of force, to shows of force in the vicinity of various countries' frontiers.

Stating once more that Romania firmly worked for the settlement of interstate problems only by negotiations, President Nicolae Ceausescu said: We think that one should understand, in consideration of developments in the territories occupied by Israel, that time has come for an international conference to be called for the political settlement of these questions, the Palestinian people's right to self-determination, to a state of its own included being ensured.

We also declare, the speaker said, for an end to the Iran-Iraq war. The president restated Romania's determination to actively participate, together with all developing countries, with all states, in the calling of an international conference under U.N. aegis for the settlement of underdevelopment problems, the developing countries' foreign debt included.

In his speech, President Ceausescu showed that Romania would firmly act to broadly develop its relations with all the states of the world. We will pay special attention to the relations with socialist countries, as we have done so far, starting from the necessity that divergencies have to be overcome, that all developing countries' collaboration and solidarity must be strengthened, the speaker said, assessing that, in general, Romania's relations with socialist countries can be considered as good. Unfortunately, he showed, we cannot say the same about the relations of the Socialist Republic of Romania with the Hungarian People's Republic. We firmly worked and work to strengthen friendly relations of good neighbourliness with Hungary. We think that both peoples' interests, all the more so as both peoples build socialism, call for a definite end to the old states of affairs, for the development of relations in the spirit of the Treaty of Friendship and Cooperation between the two countries, of good neighbourhood, solidarity, mutually advantageous cooperation in all areas.

Our friends in Hungary—just as all states—must understand well that the problems in Romania are solved by the party, the government, the democratic bodies, by the whole Romanian people.

The outlook of scientific socialism, Marxist-Leninist principles require that everyone should first fight against chauvinism within its own ranks, against nationalism within its own ranks, and in no way encourage and stimulate such manifestations alien not only to socialist, human conceptions but also to the conceptions of relations of good neighbourliness among states.

We have always fought and will fight against any suchlike manifestations, if they are to occur in Romania in one form or another, President Nicolae Ceausescu went on stressing that like manifestations were alien to the socialist society and everything should be done to eliminate them.

Showing that problems can be solved in different, various ways, the speaker said: We have always maintained this even when some, including our neighbours, said that we were deviating from real socialism, because we have started from our capability of understanding and applying general principles and laws to our realities. We have never asked anyone either to approve or imitate us, but obviously we do not allow anyone to pose as omniscient and give us pieces of advice on one question or another. We are for dialogue and broad exchange of opinions, without anyone claiming to impose its point of view, Romania's president stressed showing that this should in no way affect the cooperative links between two neighbour friendly states, between two states in general. Specifying that his country declared for the development of relations with all the states of the world, for relations of good cooperation, President Nicolae Ceausescu stated: We are of the opinion that many possibilities exist to broadly develop economic, technical, scientific and cultural relations between the Romanian people and the Hungarian people, between Romania and Hungary, between the two neighbour states so that to strengthen solidarity, to build socialism in the best conditions, each in each one's own way, ensure the welfare of our peoples, peace and cooperation.

I thought it appropriate to raise this question before the Working People's National Council, the speaker specified in conclusion, so that everyone understand what the matter is, how we see it and how we are going to work further, in the interest of both peoples, of the cause of socialism and peace.

1987 Plan Fulfillment 'Communique'

AU040937 Bucharest AGERPRES in English 0803 GMT 4 Feb 88

["Communique"—AGERPRES headline]

[Text] Bucharest, AGERPRES, 4/2/1988—Romania had further major achievements in economic and social development, the fruit of a consistently promoted policy of growth of the forces of production, and best possible use of the material resources and the work force, in 1987 when international economic problems became increasingly complicated, stresses the communique on the fulfilment of the 1987 national plan of economic and social development of Romania issued in Bucharest.

The communique shows that the national income went up 4.8 per cent from 1986. Romania's modern and competitive industry can now cope with the most complex technical problems in every field of activity, shows the document which specifies that the marketable production increased by 4.5 per cent in terms of value from 1986 and that net production grew 5.6 per cent. Industrial productivity rose by 4.6 per cent to fully account for the production growth last year. Notwithstanding the good results in industry, the plan was not fulfilled, mainly because of the unfulfilments in the first quarters of 1987 as a result of rough weather and shortfalls in some areas, the communique shows.

Research made a further significant contribution to the development and modernization of the national economy.

With climatic conditions less favourable, the plant production was larger than in the previous years, and the cereal output totalled 31.7 million tonnes. The growing livestock and better average animal yields were behind a larger livestock production overall compared with the previous year.

The realized investment in the National Economy was 0.9 per cent up from one year before: 309 major industrial and agricultural production units were put to production, with the new fixed assets being worth more than 225 billion lei. Housebuilding continued at a steady pace alongside the planning and re-development programme in the capital of the country, in the other cities and towns, as well as in the countryside, to put at more than 110,000 the number of new homes, of which nearly 16,000 are in the rural area.

Romania had economic and cooperative relations with 146 states in 1987. Its foreign trade performance in terms of value was 310.7 billion lei at the commercial rates in force.

Its 177.7 billion lei worth of exports were 8.7 per cent up on 1986, as their structure further improved through the growing share of the highly worked and processed products which exceeded 63 per cent of the total. For all the problems caused by restrictions and discriminations in the international economic relations in 1987, the foreign trade activities brought a balance of trade surplus of more than 2.8 billion U.S. dollars which helped repay a good part of the foreign debt.

The development and renovation of the production and the rising national income led to a growing general welfare. The nominal net pay averaged 3, 055 lei [per month] at the end of 1987 when the farmers nominal income was 1.9 per cent higher than one year before. The price and service rate evolution index was smaller than planned. The communique shows that 116 billion lei were earmarked in 1987 for social-cultural activities, for the payment of pensions, of children benefits and allowances, of scholarships for schoolchildren and students, of indemnifications for temporary incapacity to work, and provisions were made for the development of education, cultural and health care.

Further Reports on Alleged Waldheim Documents

TANJUG Criticizes Paper

LD051610 Belgrade TANJUG in English
1505 GMT 5 Feb 88

[Text] Bonn, Feb 5 (TANJUG)—That searching for the truth can turn into a farce is shown by today's issue of the conservative Bonn daily DIE WELT, which suggests that Ustashas who fled to "the West" after the collapse of their Nazi puppet state in Croatia should be consulted as "experts" in connection with the Waldheim affair.

According to the daily, they would establish the authenticity of a telegram linking former German Army Lieutenant Kurt Waldheim to orders to deport civilians from Mount Kozara to death camps.

This is just one of numerous absurd details published in DIE WELT's recent series of articles defending the Austrian president.

The Waldheim affair has been attracting great publicity in the West German press recently and a number of papers have used this for ruthless attacks of Yugoslavia.

DIE WELT writes today that Yugoslavia is "busily falsifying" the history of the Partisan war, "especially with regard to the role of Albanians." These claims are used to deny a statement by the Kosovo archives director, Hakif Bajrami, that there are documents implicating Waldheim in a shooting of hostages, mostly Albanians, at Stari Trg towards the end of 1944.

Plenca Says Telegram Genuine

AU051747 Belgrade BORBA in Serbo-Croatian
4 Feb 88 p 6

[D.R. report: "Dusan Plenca: The Document Is Genuine"]

[Text] In a statement for our newspaper yesterday, Dusan Plenca, historian and "owner" of the controversial document, said the following:

"I have explained all the circumstances surrounding this telegram umpteen times! I offered to present all those arguments to Mr Messerschmidt and to talk with him. However, he rejected this through TANJUG last night, so now I refuse to talk to him. I still state the following: The document is genuine, it is in an archive, and anyone with any doubts about this can find it—nobody is stopping them.... The fact that the document I have shown to the public does not bear an archive registration number means nothing."

Plenca Offers To Destroy Evidence

AU051739 Belgrade BORBA in Serbo-Croatian
4 Feb 88 p 6

[M.H. report: "With Spite Against Evidence"]

[Text] Belgrade, 3 Feb—At a press conference held at the Belgrade Press Center today, numerous foreign correspondents quite seriously expected historian Dusan Plenca to provide a proper explanation for the controversial telegram. However, instead of an explanation, they received—to put it mildly—strange offers from the document's "owner."

Under no circumstances would Dusan Plenca reveal the location of the original controversial document (although he did say that he had photocopied it in the Yugoslav Archives 2 years ago), and he said that it would make him very happy if Mr Waldheim would apologize to his people for the wrong he had done to them. In return, Plenca would burn all the documents he possesses on the case in front of the Yugoslavia Hotel in Belgrade!

Speaking at the press conference today, Dusan Plenca also mentioned the notorious 17-page report in which he describes Waldheim's "activity" at Kozara. However, this report will also not be seen by the international historians' commission because, this historian claims, he was also denied access to the documents that the commission possesses and that would have been of great significance for the "Waldheim case."

Historian Finds New Papers

LD072142 Belgrade TANJUG in English
2033 GMT 7 Feb 88

[Text] Vienna, Feb 7 (TANJUG)—Belgian historian Jean Vanwelkenhuyzen said he found new documents in Yugoslavia which will prove the authenticity of the telegram published in DER SPIEGEL. He brought the documents to Vienna today.

They do not explicitly name Lieutenant Kurt Waldheim, but Vanwelkenhuyzen says they "relate" to the telegram in DER SPIEGEL.

In a telephone conversation with TANJUG Vienna correspondent, Vanwelkenhuyzen confirmed that he was in Yugoslavia on Friday, and said that his visit was not reported so that he could carry out his mission undisturbed. He added that he found the documents in "a small place near Zagreb" and that there is no doubt that they are originals.

An international commission of historians probing Waldheim's wartime past never denied the possibility that the telegram, found by Yugoslav historian Dusan Plenca, was authentic. However, it believed that it was not possible to verify it, stressed Vanwelkenhuyzen.

Nuclear Development Accord Signed With USSR

LD052110 Belgrade TANJUG Domestic Service in Serbo-Croatian 1628 GMT 5 Feb 88

[Text] Sarajevo, 5 February (TANJUG)—Dragutin Kosovac, president of the Energoinvest composite organization of associated labor management committee; and Iveriy Varlamovich Prangishvili, director of the Control Problems Institute of the USSR Academy of Sciences, have signed an agreement in Sarajevo worth $6 million on joint work on a project to develop a nuclear power plant automatic control system. This project, the third big joint venture of the Energoinvest's Institute for Automatics and Computer Science and of the USSR Academy of Science's Control Problems Institute, should ensure a high level of reliability in the work of the power plants and eliminate any chance of human error in control operations.

To achieve this, new algorithms, developed as a result of previous cooperation, and most up-to-date microprocessor and computer technology are used. This latest joint project should be carried out during the next 3 years as part of a comprehensive program of CEMA scientific and technical progress. First application of this system is scheduled to take place in Soviet nuclear power plants in 1991.

Scientific Contract Signed

LD061605 Belgrade TANJUG in English 0123 GMT 6 Feb 88

[Text] Sarajevo, Feb 6 (TANJUG)—President of the management board of Sarajevo-based Energoinvest Dragutin Kosovac and director of the Institute of the Soviet Academy of Sciences for Management Problems Iveriy Varlamovich Prangishvili have signed a six-million-dollar contract on joint work on a project for developing a system for automatic control of nuclear power plants.

This is the third large joint project of Energoinvest's Institute for Automation and Computer Science and the Institute of the Soviet Academy of Sciences for Management Problems that will ensure a high degree of reliance on power plants and eliminate the possibility of human error.

The project will be carried out over the next three years as part of Council of Mutual Economic Assistance's (CMEA) complex scientific and technological progress program. The system is planned to be put into operation for the first time in 1991 in Soviet nuclear plants.

Experts Discuss Joint Enterprises With USSR

LD052115 Belgrade TANJUG Domestic Service in Serbo-Croatian 1603 GMT 5 Feb 88

[Text] Belgrade, 5 Feb (TANJUG)—A meeting of the intergovernmental Yugoslav-Soviet working group for the development of new forms of economic, scientific, and technological cooperation was held in the SFRY Chamber of the Economy Today, during which Yugoslav and Soviet experts discussed legal, material, and financial aspects of the formation of joint enterprises and joint investments.

The Soviet delegation, whose 4-day visit to our country is due to end tomorrow, is led by Boris Grigoryevich Shakhnazarov, head of the USSR Council of Ministers Bureau for Machine-Building [title as received].

Albanian Relations Balkan Conference Discussed

LD071559 Belgrade TANJUG Domestic Service in Serbo-Croatian 0743 GMT 7 Feb 88

[By Nikola Stojanovic]

[Text] Belgrade, 7 Feb (TANJUG)—Bulgaria and Albania have decided to raise their diplomatic relations again to ambassadorial level. This was announced a few days ago during Foreign Minister Ivan Ganev's stay in Tirana.

In the early sixties, the two countries decided "for differences of an ideological nature" to withdraw their respective ambassadors. Since then their diplomatic relations have been at the charge d'affaires level.

Recently Albania raised its diplomatic relations with the GDR to ambassadorial level, and there is every likelihood that Tirana will promote its links with other East European countries too—with Czechoslovakia, Hungary, and Poland.

Albania's relations with the Warsaw Pact member countries cooled in the wake of the Sino-Soviet dispute in 1961 when Tirana sided with the Chinese. Since then, and until the latest agreements, Albania has maintained full diplomatic relations with Romania alone.

The latest moves in the diplomatic sphere are continuing parallel to Albanian efforts to emerge from its self-imposed isolation, which Tirana claims "never existed." It also says that for this country "there is neither opening nor closing, there are only continuity and consistency in pursuing a foreign policy based on the teaching of Enver Hoxha."

Recently Albania established diplomatic relations with the FRG, Canada, Jordan, and Bolivia. Its cooperation went furthest of all with the Mediterranean countries, including Greece, Turkey, and France. Although previously the relations had improved, the situation with Italy is rather confused because of the presence of six Albanians in the Italian Embassy in Tirana where they sought asylum more than 2 years ago.

Approximately 10 years ago, Albania had diplomatic relations with 74 countries. Today, they have relations with 119 countries, which is an indication of Tirana's efforts to open itself to the world, after all. This new course could be attributed also to the effort to promote trade relations with foreign countries by having better political relations.

According to many evaluations throughout the world, Albania's decision to take part in the Balkan countries' foreign ministers meeting to be held in Belgrade 24-26 February on Yugoslavia's initiative is taken to be a sign of a change in Tirana's line.

Albania is taking part for the first time in a multilateral meeting that will discuss regional cooperation trends. In explaining this decision, for many people an unexpected one, Tirana said that it believes that "peace should prevail in the Balkans, and that open relations and not tension and mistrust should exist between neighbors."

These and similar stands are being expressed also by other Balkan countries, the majority of which do not confine themselves to declarations alone. The latest move was made by Papandreou and Ozal, the Prime Ministers of Greece and Turkey respectively, who in Davos expressed the view that the Aegean Sea crisis of March 1987, which brought the two countries to the edge of war, should not be repeated. So, a dialogue has been established that is very significant on the eve of the Balkan meeting.

We could list other specific actions by the Balkan countries that are trying to create the most favorable conditions possible before this important meeting. However, apart from declarative statements by Tirana, there have been no signs suggesting that Albania intends to change its propaganda toward Yugoslavia. What Albania is doing along this line is to a large extent at odds with what is being said in Tirana. This hardly contributes to the establishment of a healthy climate in the region because in order "to establish trust," which is what the official personages in Tirana are advocating in their statements, specific steps are required. In addition, this is the way to make the meeting in Belgrade fruitful, despite all the differences among the Balkan states. In this way the initiative, the first of its kind in the Balkan area, should receive its full confirmation, mainly in the actual actions taken by the Balkan countries for which the vestiges of their history and unresolved questions should not constitute a hindrance for devising courses of cooperation.

Envoy Delivers Mojsov Letter to Al-Qadhdhafi

LD041406 Belgrade TANJUG Domestic Service in Serbo-Croatian 1154 GMT 4 Feb 88

[Text] Tripoli, 4 Feb (TANJUG)—Mu'ammar al-Qadhdhafi, leader of the Libyan revolution, last night received Milutin Galovic, the Yugoslav ambassador in Libya, who delivered a message from Lazar Mojsov, president of the SFRY Presidency. On this occasion they spoke about the current activities of the nonaligned and other developing countries and the state and development of bilateral relations.

Central Bank Reports $21 Billion Debt

LD052128 Belgrade TANJUG in English 1750 GMT 5 Feb 88

[Text] Belgrade, Feb 5 (TANJUG)—According to a preliminary report of the Central Bank, Yugoslavia last year owed 21 billion 330 million dollars to its creditors and claimed three billion 854 million dollars from its debtors.

The convertible currency part of the debt totalled 20 billion dollars, and the clearing part one billion 330 million. To obtain a real picture of Yugoslavia's financial standing in transactions with other countries, three billion 750 million convertible and 104 million clearing dollars in claims from foreign debtors should be deducted from the sum.

The Central Bank report notes that Yugoslavia's debt payments last year exceeded its convertible currency credits by one billion 15 million dollars (950 million dollars for payments on principal on medium- and long-term loans and 65 million for payments on short-term credits).

If payments on interest are added to this, the net outflow of capital from Yugoslavia in 1987 amounted to two billion 825 million dollars.

At present, Yugoslavia claims two billion convertible and one billion 431.7 million clearing dollars for goods and services exported, and owed 1.4 billion for those imported.

The country's trade deficit with the convertible currency area was reduced from 2.6 billion dollars in 1986 to 1.1 billion last year.

Bank experts estimate that the annual balancing of accounts will show a surplus of about one billion dollars in Yugoslavia's overall balance of payments last year. This comparatively high surplus is primarily the result of an 18 percent increase in goods exports to the convertible currency countries along with a two percent drop in imports.

According to the Central Bank report, Yugoslavia's convertible currency reserves on December 31 last year totalled one billion 755.7 million dollars. The sum includes 78.4 million dollars' worth of monetary gold. Its value, however, was calculated at the price of 42.22 dollars per fine ounce, set by the International Monetary Fund and as much as 10.6 times lower than the market price. If the gold were evaluated at the market price, Yugoslavia's foreign exchange reserves would be worth two billion 575.7 million dollars.

Prices Up 3.2 Percent From December Levels
AU041251 Belgrade BORBA in Serbo-Croatian 2 Feb 88 p 1

[Text] According to the latest information of the Federal Institute for Statistics, retail prices in January showed a 3.2-percent increase in relation to retail prices in December. In relation to the same month last year, retail prices rose 157.5 percent.

Last month's price increase was influenced by increases in the price of milk, housing rents, communal services, and almost all other articles of which the Federal Institute for Statistics keeps record. More than half of January's inflation could be "attributed" to the increase in the price of industrial goods.

Last month the cost of living rose 5.1 percent. In relation to the same month last year, the cost of living showed an increase of 162.2 percent. The increase in the price of food represents the largest part of the increase in households' expenditure for basic goods and services.

FEC Session Examines Economy, Inflation
LD052302 Belgrade TANJUG Domestic Service in Serbo-Croatian 1802 GMT 5 Feb 88

[Excerpts] Belgrade, 5 Feb (TANJUG)—At today's session, chaired by Branko Mikulic, the FEC examined a number of questions concerning the implementation of the resolution on the country's socioeconomic development this year and the program of measures and activities to curb inflation and stabilize the economy. The FEC also examined the production situation and the market supply of imported products and semimanufactures to ensure the growth of production for export and to satisfy the domestic market's needs.

As reported by the Federal Secretariat for Information, the implementation of intervention measures in the area of prices was emphasized. The FEC noted that the implementation of the decision, made last November, on removing price disparity and setting a price ceiling, indicated deep disturbances in the reproduction process that are especially seen in the further deceleration of production and problems in the market supply. The FEC also noted that solutions to problems were still primarily sought in increased prices of goods and services, and not in increased productivity, better use of capacities, speedier restructuring, adapting to market demands, and more rational economic behavior in general. [passage omitted]

Such behavior is contrary to the established economic policy and is detrimental to the economy and society. For this reason, everything must be done to fully observe the established policy and regulations in cooperation with the executive councils of the republics and provinces.

The FEC noted that January exports were up by 5.6 percent compared to the same month last year—to the convertible market by 16 percent and to developed countries by 33 percent. On the other hand, January imports were down by about 25 percent and from the convertible market by 37 percent compared to the same month last year. The trade balance deficit amounted to $170 million in January, which is down by two-thirds compared to January 1987. The coverage of imports by exports was about 81 percent compared to 55.4 percent at the same time last year. The coverage amounted to 86 percent in the exchange on the convertible market. At the same time, prices of producers were up by 2.9 percent and retail prices by 3.2 percent, compared to last December. [passage omitted]

To create more stable economic conditions and better functioning of market laws, the FEC is accelerating work to prepare conditions to overcome the current temporary intervention measures. [passage omitted]

The FEC also examined and adopted a report on the sixth session of the ministerial-level council for cooperation between the SFRY and the EEC. It was noted that the session made official the coming into effect of new agreements between our country and the EEC in commodities' exchange and financial cooperation. The resolution adopted at the council session envisaging the intensification of cooperation in some spheres (science, technology, transport, tourism, environment) was greeted with pleasure; that is, the one that envisages continual cooperation for the purpose of adapting to the circumstances and conditions [words indistinct]

At today's session, a platform was also endorsed for the activity of the Yugoslav delegation at the Balkan countries' foreign ministers meeting to be held in Belgrade from 24 to 26 February this year. Budimir Loncar, federal secretary for foreign affairs, briefed the FEC on the course of political and organizational preparations for this meeting. Also endorsed was the platform for the official visit of FEC president Branko Mikulic to Canada from 10 to 14 February.

Loncar Sworn In as Foreign Minister
LD041130 Belgrade TANJUG Domestic Service in Serbo-Croatian 1102 GMT 4 Feb 88

[Text] Belgrade, 4 Feb (TANJUG)—The newly appointed federal secretary for foreign affairs, Budimir Loncar, was today formally sworn in before the delegates of the SFRY Assembly's Chamber of the Republics and Provinces. At the same time Loncar was released from his post as deputy federal secretary for foreign affairs.

The same assembly procedure was conducted yesterday at the session of the SFRY Assembly's Federal Chamber.

Agrokomerc Official Charged With Embezzlement
LD061325 Belgrade TANJUG Domestic Service in Serbo-Croatian 0948 GMT 6 Feb 88

[Excerpts] Bihac, 6 Feb (TANJUG)—The Office of the Senior Public Prosecutor in Bihac has preferred charges against Fikret Abdic, former chairman of the Agrokomerc management board in Velika Kladusa, and Hamid

Cerimagic, a member of the board of management of the same enterprise, for the embezzlement of public property, arising out of article 169 of the Criminal Code of the SR of Bosnia and Hercegovina. This misdeed adds to Abdic's previous sins.

Charges have also been brought against Husein Milkic for the same criminal offense, which he committed by virtue of being an accomplice. [passage omitted]

It has been established that in addition to the persons recently sentenced Abdic and Govedarica also took part in clinching a socially damaging agreement concluded in September 1984 between Agrokomerc and Jugotrejd in Vienna on the import of 27,300 tonnes of soya beans.

Svabic on 'Illegal' Dealings in Student Games

AU071536 Belgrade POLITIKA in Serbo-Croatian 22 Jan 88 p 8

[Unattributed report: "Financial Dealings of Student Games"]

[Text] Under the title "The Conspiracy of Silence on Student Games," today's NIN carries an interview with Mihajlo Svabic, member of the Council of the Federation, who thinks that financial dealings involving the International Student Games in Zagreb must not remain unexplained because, as Svabic claims, what is involved is the unconstitutional and illegal misappropriation of over 100 billion dinars, which is one-third of the debts at Agrokomerc. Asked by Editor Dragan Jovanovic how he learned this, Svabic said the following:

"In an interview to NOVOSTI 8 last September, I said that the breaking up of the former federal funds and the division of Yugoslav railroads, electrical power generation industry, and banks resulted in a great organized social fraud through which large amounts of social resources have been unconstitutionally and illegally directed to those who are not entitled to them. As an example, I mentioned the cases of natural catastrophes, earthquakes, and floods, as well as the construction of tourist facilities, and the financing of big international sports championships. In passing I also mentioned that it is not known how much the Zagreb Student Games have taken from the federal budget. I said that the finance minister probably does not even know, because the Student Games had not been given an earmarked grant. Instead the organizers were allocated the revenue from the sales tax. I asked: Is this also a great fraud? The Zagreb weekly DANAS responded to that by saying that I had not gathered sufficient information about the manner of financing the Student Games and that, using excessive "poetic license," I was comparing the Agrokomerc fraud with the honest operations of the Student Games.

"This slap on the wrist by the weekly DANAS provoked me to pay serious attention to the financial set-up of the Student Games. I began to collect official data published in the OFFICIAL GAZETTE of the City of Zagreb (of 20 May 1985) on the social accord on the Student Games, in the OFFICIAL GAZETTE OF THE SFRY (Issue No 55/86 of October 1986), in the closing accounts published in the OFFICIAL GAZETTE of the City of Zagreb, Issue No 20/98 of 20 June 1987, and the law that regulated the allocation of the sales tax revenue for the Student Games' organization.... These official data fail to present a complete picture of the Student Games business, but even incomplete as they are they are sufficient for drawing a general conclusion about the problems in the functioning of our economic and budgetary systems. When all data are known, they will merely reinforce my statements."

And what are your findings?

"I have realized that in the case of the Student Games, both the Constitution, and in some respects the law, were broken. How did this happen? The previous FEC (Milka Planinc's government, D.J. note) in 1985 adopted a Law Amending the Sales Tax Law. Article 9 of this amending law refers to relief from the sales tax. Further on in the same sentence, however, the word "relief" is changed into the words "allocated sales tax" to be used for the Student Games. It looks naive, like a play on words, but in fact it is a crafty game to take a considerable amount from the republican and federal budgets without specifying the sum and without a decision by republican, provincial, and federal assemblies.

"I do not think that the SFRY Assembly is authorized to adopt laws that allocate the revenues of the provinces and the republics. With this law, the SFRY Assembly unconstitutionally handed over somebody else's revenue to a third party, and in this way deprived the assemblies of the sociopolitical communities of their powers. For instance, the tax paid on the sales of mineral water from my place, Arandjelovac, was handed over because the Student Games logo was put on the labels. In this way the sales tax which, according to the system, is a revenue of the Republic of Serbia, was handed over to a third party, the Student Games, without the consent of the Serbian Assembly. All over the country, funds were appropriated according to the same principle. I do not know how much any republic actually paid. It is said that the federal budget paid 75 percent, and the republics and provinces 25 percent, with Croatia and Slovenia paying most."

Does this mean that the Organization Committee bears great responsibility for all these illegal acts?

"Of course. It is a matter of a premeditated plundering of the state budget, with the assistance of the highest state organs."

Have you addressed any concerned person directly?

"I talked about all this at the recent session of the Council of the Federation, where I also asked Milos Milosavljevic, FEC vice president: What have you done?

He replied that the FEC sent its foreign exchange inspectorate to investigate, and I expect that the FEC will provide a detailed answer concerning all this at the session of the Council of the Federation convened for 21 January this year."

Do you think that the financial games of the Student Games can be straightened out?

The Student Games have shown that representatives of smaller communities within the Federation primarily take care of the interests of the communities from which they come. Therefore it is possible that the highest federal organs decided that the budget safes could be opened and that one—in this case the organizational committee—could take from them whatever it could. This is probably why we have all this conspiracy of silence about financial transactions concerning the Student Games. Enterprises also joined this conspiracy of silence because they received 30 percent of the sales tax paid by consumers. Republics and provinces are silent because they have been recompensed for the loss of their 25-percent portion with the income their enterprises undeservedly earned. The organs of the Federation are probably silent for the same reason they had been silent in the case of Agrokomerc until the Bosnia-Hercegovina organs started uncovering the affair. Among other things, Mihajlo Svabic told today's NIN that this is the real image of our system.

Kosovo Polje Serbs Hold Protest Meeting

AU061900 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 6 Feb 88

[Text] The Serbs and Montenegrins in Kosovo Polje have resumed their gatherings after a lull. Milisav Milic reports:

A meeting of the first SAWP branch is under way at the primary school, and some 500 citizens have gathered in front of the school building. The meeting of the first SAWP branch is attended by Milenko Markovic, Zika Radojlovic, and several Pristina officials.

In his speech Ljubomir Vujovic, branch president, presented a far from rosy picture of Kosovo Polje at this time. He spoke in particular about the provocations of Albanian separatists; about emigration by Serbs and Montenegrins, which is assuming dramatic proportions; and about a poor cadre policy in the commune and beyond. He said that all the standard-bearers of 1968, when fierce demonstrations by Albanian nationalists broke out in Pristina, were put into responsible posts.

The assessments that gatherings of Serbs and Montenegrins are nationalistic were rejected, and it was said that the so-called Serbian leaders did not sin against the LCY policy.

The following was also heard at the gathering that is under way: The Serbs and Montenegrins who had vacillated between staying and leaving Kosovo have now left their homes. Only those for whom Kosovo is both their homeland and their destiny have remained. Whether the remaining Serbs and Montenegrins will stay here depends on a consistent implementation of party and other conclusions.

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